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II

The capital levy before Parliament

ON September 13, 1921, the executive committee of the Swiss socialist party submitted to the Federal Council a constitutional initiative petition providing for a federal capital levy. The previous history of this document may be briefly recalled.

In 1919 the socialist party had published a short pamphlet written and signed by one of its leaders, Gustav Müller, entitled *Bourgeois and social-democratic financial policy*.[1] In this pamphlet a capital levy is proposed both as a remedy for public indebtedness and as a means of socializing the capitalist order. If a heavily rated levy, it is argued, be assessed and collected in such a manner as to oblige the owners of large fortunes to pay at least a part of their taxes in securities, the state will not only be relieved of its burdens and enabled to carry out the most liberal social reforms, but it will at the same time become the most important stockholder and creditor of all corporate enterprise. Thus conceived "public finance is the Archimedian point thanks to which the old order of things may be raised out of its hinges".[2] After endeavoring to show that such a capital levy, far from crippling economic productivity, would on the contrary stimulate it, the author concludes: "It is in this direction that the financial policy of the Social Demo-

[1] *Bürgerliche und sozialdemokratische Finanzpolitik* von Gustav Müller, herausgegeben von der Sozialdemokratischen Partei der Schweiz (Berne, 1919).

[2] *Ibid.*, p. 5.

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cratic Party must move if it is to accomplish its historical mission. It is on such a soil that its further demands will ripen which shall and can tend only to the realization of free humanhood in its highest perfection. Therefore let us set to work."[1]

This appeal, inspired by the writings of an Australian socialist, Rudolph Goldscheid, to whom full credit is given, did not remain unheeded. At the suggestion of the Winterthur and Zurich sections of the Swiss socialist party, the national executive appointed a committee to draft a constitutional amendment providing for a capital levy. This committee reported to the annual meeting of the party in December, 1920, which approved it and decided to take immediate action.[2] The necessary number of signatures was obtained without difficulty. In the four German-Swiss cantons of Berne, Zurich, Argovie and St. Gall alone 52,700 citizens signed the petition, that is 3700 more than the required minimum for the whole country.[3]

The wording of the initiative proposal, which, as one of its critics remarked in the Council of States, bears more resemblance to a code of law than to an article of the constitution,[4] is as follows:

The following provisions are inserted in the federal constitution as article 42 bis:

1. The Confederation levies a single tax [*un impôt unique*] on property [*sur la fortune*] in order to enable itself, the cantons and the communes to fulfill their social duties.

[1] *Ibid.*, p. 9. It is interesting to note that Müller, since deceased, was at the time in charge of the municipal finances of the city of Berne and was laboring under very grave administrative difficulties. The city was heavily in debt and the local banks had refused to extend further credits, so that it finally had to borrow in New York in 1920 at the rate of nearly nine per cent. This circumstance, to which National Councillor Grimm was good enough to call my attention, was probably not without influence on Müller's views.

[2] According to statements made in the National Council on October 4, 1922, by the socialist deputy Schmid and supplemented by information supplied by Mr. Grimm. Both Grimm and Schmid were with Müller members of the drafting committee.

[3] *Rapp. du C. F. à l'Ass. féd. sur l'initiative populaire concernant le prélèvement d'un impôt unique sur la fortune (art. 42 bis de la constitution fédérale) du 30 janvier 1922. Feuille féd., 1er févr.* 1922, p. 162.

[4] Councillor of States Böhi, *rapporteur* of the bill, on September 28, 1922.—*Bull. sten. off., Cons. des Ét.*, 1922, p. 340.

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2. The tax applies to individuals and corporations [*personnes naturelles et juridiques*].

3. Are exempt:

a. The Confederation, the cantons, their public agencies and works, as well as the special funds under their administration, the Swiss national bank, the national sickness-insurance office and the federal alcohol monopoly;

b. The communes, as well as the other public and ecclesiastical corporations and institutions, whose property itself or the income of whose property is used for public interests;

c. All other corporations and institutions, whose property itself or the income of whose property is used in the interest of religious service, public instruction, social service in favor of the poor, the aged and the invalid as well as for other ends of a purely general character.

4. The tax is levied on the total fortune, debts having been deducted, subject to the provisions under 5, 6, and 9.

5. Household belongings of individuals, except in so far as they exceed 50,000 francs in value, are tax-free.

6. Are not considered as taxable property of corporations:

a. The paid-up stock;

b. The accumulated reserves destined solely for purposes of general interest or of public utility, whose use for these ends is assured.

7. The tax is assessed on the common property of husband and wife, unless they be permanently separated from one another.

8. December, 31, 1922, is the determining date for the establishment of the personal and material obligation to pay the tax as well as for the estimation of the taxable property.

9. For individuals as well as for corporations only that part of their fortune is taxable which exceeds 80,000 francs.

The tax-free minimum is raised in each family:

a. By 30,000 francs for the wife;

b. By 10,000 francs for each minor child.

10. For individuals the tax on property is rated as follows:

For the first 50,000 francs of taxable property (or fraction thereof), 8 per cent.

For the next 50,000 francs of taxable property (or fraction thereof), 10 per cent.

For the next 100,000 francs of taxable property (or fraction thereof), 12 per cent.

For the next 200,000 francs of taxable property (or fraction thereof), 14 per cent.

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For the next 300,000 francs of taxable property (or fraction thereof), 16 per cent.

For the next 400,000 francs of taxable property (or fraction thereof), 18 per cent.

For the next 600,000 francs of taxable property (or fraction thereof), 20 per cent.

For the next 1,000,000 francs of taxable property (or fraction thereof), 22 per cent.

For the next 1,000,000 francs of taxable property (or fraction thereof), 24 per cent.

For the next 1,000,000 francs of taxable property (or fraction thereof), 26 per cent.

For the next 2,000,000 francs of taxable property (or fraction thereof), 28 per cent.

For the next 2,000,000 francs of taxable property (or fraction thereof), 30 per cent.

For the next 2,000,000 francs of taxable property (or fraction thereof), 32 per cent.

For the next 2,000,000 francs of taxable property (or fraction thereof), 34 per cent.

For the next 2,000,000 francs of taxable property (or fraction thereof), 37 per cent.

For the next 2,000,000 francs of taxable property (or fraction thereof), 40 per cent.

For the next 2,000,000 francs of taxable property (or fraction thereof), 43 per cent.

For the next 3,000,000 francs of taxable property (or fraction thereof), 46 per cent.

For the next 3,000,000 francs of taxable property (or fraction thereof), 49 per cent.

For the next 3,000,000 francs of taxable property (or fraction thereof), 52 per cent.

For the next 3,000,000 francs of taxable property (or fraction thereof), 56 per cent.

For all following amounts, 60 per cent.

For corporations the rate of the tax is 10 per cent on taxable property.

11. From January 1, 1923, interest at the rate of 6 per cent per annum shall be added to the tax.

12. The tax may be paid in a lump sum or by annual instalments in the course of three years.

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13. Federal bonds or short time notes, which have indisputably been bought by the tax-payer, will be taken in payment at a rate to be determined.

A federal law will determine if and under what conditions cantonal and communal bonds or other securities will be accepted in payment of the tax.

Tax-payers may likewise be obliged to give securities or other valuables [*autres valeurs, andere Vermögenswerte*] in payment of the tax.

Cases of such payment in kind and the principles governing the use thereof [*les principes de mise en valeur, Bewertungsgrundsätze*][1] will be dealt with by federal statute.

14. The cantons assess and collect the property tax according to the instructions and under the supervision of the Confederation. The expenses thereby incurred will be borne by the Confederation, the cantons and the communes in proportion to their *pro rata* share of the yield of the tax.

15. Immediately after the adoption of the present constitutional amendment, the Federal Assembly shall without delay by federal decree take such measures as may be required to secure the full payment of the tax on fortunes represented by securities and to prevent the exodus of capital [*la fuite des capitaux à l'étranger*].

The state shall in particular regulate the stamping at a given moment of all securities. The failure to submit securities to the stamp shall free the debtor from the obligation to pay.

16. The filing of tax returns is compulsory.

All individuals and all corporations shall be obliged to communicate the required information to the authorities entrusted with the collection of the tax. Banking establishments shall in particular submit to all measures of control of the tax authorities.

17. The conditions under which the valuation of property may be revised shall be determined by statute.

18. The cantons and the communes shall receive each twenty per cent of the taxes, belated taxes, interest and fines collected in their territory. The remaining sixty per cent shall be remitted to the federal treasury.

19. The present constitutional amendment shall cease to be applicable after the collection of the single property tax.

[1] This expression is significantly equivocal. It might also mean the principles of evaluation. *Cf. Rapp. du C. F. à l'Ass. féd. du 12 août 1922,* p. 4; *F. F. S.,* 1922, II, 941.

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We do not propose to comment fully on this extraordinary document. We refrain the more readily from doing so, as the analysis of the discussions to which it gave rise in the legislature and before the people will lead us to consider certain of its provisions presently. It may be interesting however to call attention to certain of its main characteristics before proceeding to the examination of these discussions.

It is clear that the socialist proposal sprang from two distinct sources. In certain of its more formal provisions it was a conscious imitation of the two previous direct federal taxes of 1915 and 1919, while on other points of more material importance it was, for Switzerland at least, a novel and very bold socialistic measure.

Like the "non-renewable war tax" of 1915 and the "new extraordinary war tax" of 1919, the "single capital levy" of 1922 was a direct federal tax of a temporary nature, which could be introduced only by means of a constitutional amendment. It was therefore provided that it should, like its predecessors, be submitted to the vote of the people and of the cantons and should remain in force only until it had been duly collected.

Like them also it was to be administered by the cantonal authorities for the Confederation and its proceeds were to be divided between the central and local governments. The tax-bearers in all three measures were to be individuals and corporations; and the tax-free public institutions, enumerated in almost identical terms, were in all cases appreciably the same.

There, however, the main analogies between the three taxes cease. The socialist proposal differed from the two preceding measures in purpose, subject and rates as well as in the period and mode of its collection.

While the two war taxes were destined to allow the repayment of the war debt, the yield of the capital levy was expressly intended to finance new state projects of social reform and notably the long-promised old-age pensions and invalidity insurance scheme.

While the 1915 and 1919 taxes were assessed on property and on earned income, the 1922 proposal was a capital levy

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only. All three measures were instances of direct progressive taxation, but, while the tax-free minimum in the socialist proposal was very much higher than that provided for in the preceding measure, its rates were also incomparably higher. This may be shown more concisely and more clearly by the following table than by elaborate comparative statistics. It relates to the amounts payable on property, under the three successive measures, by an individual with a wife and three children.

Such an individual if he possessed a fortune of

	would have had to pay in		
francs	*1915*	*1919*	*1922*
100,000	240	260	——
200,000	680	820	2,600
500,000	3,300	3,875	41,000
2,000,000	29,200	47,000	325,320
10,000,000	150,000	250,000	2,322,120

These sums were payable in a period of two years under the law of 1915, of four years according to that of 1919, and of three years according to the socialist proposal. It is obvious that the two former taxes could and were intended to be paid out of income, whereas the latter was a true capital levy, both as to its subject and to its source. It is estimated and not contested that the proposed capital levy would have been paid by only nine per cent of the 260,000 tax-payers of the 1915 law, that is by six per thousand of the population.[1]

The rates as well as the subject of the three corporation taxes were also extremely different. According to the 1915 and 1919 laws corporations paid a progressive tax on all their capital, whereas the socialist proposal provided for a flat rate on unpaid stock and reserves only.

The most novel and significant provision of the 1922 bill was that relating to the optional or compulsory payment of the tax in kind. This was, as we have seen, the most promising feature of the scheme in the eyes of its principal author, in that its adoption would have led to state partnership in all industrial and commercial enterprises. The socialists them-

[1] *Rapp. du C. F. à l'Ass. féd. sur l'initiative concernant la perception d'un prélèvement sur la fortune, du 1er août 1922,* pp. 8, 25.

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selves were not however in full agreement on this most important point.

The relevant provisions of the initiative proposal alone might lead one to suspect it. They are equivocal, smack of compromise and seem to have been hesitatingly drafted. As a matter of fact this suspicion is fully confirmed by other evidence.

As late as August 31, 1920, at a meeting of fiscal experts summoned by the federal government to discuss the ways and means of improving the financial situation of the Confederation, National Councillor Klöti, one of the most prominent parliamentary socialist leaders, had suggested a capital levy to be collected during a term of twenty years.[1] Thereupon Gustav Müller, who was also present, had replied: "As to the capital levy, there is one point on which I do not fully agree with Mr. Klöti. I have been led to another view mainly by studying the ideas of Goldscheid. If we were to subject the economic organism to a severe blood-letting, we should weaken the state. We can avoid this however by raising the levy in kind and thereby transferring to the Confederation stocks and bonds of industrial concerns whose co-proprietor and co-director it would thus become. By spreading the payment of the tax over a period of twenty years the specific character of the single capital levy would be altered."[2]

In a speech delivered on October 5, 1922, in the National Council, the socialist deputy Schmid, one of the authors of the proposed capital levy, frankly informed his colleagues that Müller had been in favor of making payment in kind compulsory as a method of forced socialization. Schmid added: "We did not believe that the problem of socialization could thus be incidentally solved by means of this initiative, but that it was far more complicated. We therefore abandoned Müller's original suggestion and provided that payment in kind should be optional.[3]

[1] Protokoll der Verhandlungen der Expertenkommission betreffend die eidg. Finanzreform, August–September, 1920 (manuscript), p. 26.

[2] *Ibid.*, p. 30.

[3] *Bull. sten. off., Cons. Nat.*, 1922, p. 751.

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The extremely high rates of the proposed capital levy and the prospect of the fiscal evasion to which they were bound to give rise naturally led its authors to devise measures of drastic control. The stamping of all securities under penalty of cancellation and the publicity of bank transactions provided for in the socialist proposal have no counterpart whatever in the war taxes of 1915 and 1919.

Having taken cognizance of the constitutional initiative petition, the Federal Assembly on March 28 and April 5, 1922, instructed the government to prepare a report on the proposal. This report was published on August 1, 1922.[1]

It was drafted by Mr. Musy, the minister of finance, in person. Native of the purely agricultural and strictly Catholic canton of Fribourg, Mr. Musy had been elected to the government in 1919 as a representative of the conservative party and is known as the member of the Federal Council most violently hostile, not only to socialism, but to all forms of state enterprise. Besides, being a French-Swiss Catholic, he represents both the linguistic and the religious minority of the people and is therefore a particularly ardent federalist. It is consequently not surprising that the government report on the socialist capital levy should have been drafted in a much more polemic vein than is habitual in the case of such public documents in Switzerland. Moreover, as the negative vote in the legislature was a foregone conclusion, the report, clearly written with a view to the referendum more than to the parliamentary discussions, is extremely popular in tone as in substance. It is a strongly worded electioneering pamphlet against the socialist measure presented as a communist maneuver and as a grave political, social, economic and financial danger.

Attention is called to the alarming present condition of the federal treasury. The situation, it is argued, while not critical enough to justify the confiscation of private fortunes for the repayment of public debts, is too serious to permit of bold experiments intended to finance new and costly social reforms.

If the capital levy were to be adopted and assessed on the

[1] *Rapp. du C. F. etc. du 1er août 1922.*

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existing fortunes, its yield, it is estimated, would be about 1,250 million francs. A third of this sum, collected every year, would, added to the 740 millions of federal, cantonal and communal taxes already paid in Switzerland, amount to 1,156,600,000 francs. As the total fortune of the country is estimated at 22 billions, the annual taxes paid would surpass the annual interest on the national fortune. "How could the economics of our country adapt themselves to this new régime?" concludes the report on this point.[1]

Referring to the criticisms of those who accuse the government of neglecting its duties in the field of social reform, the report recalls the huge sums spent, during and since the war, in the interest of the poorer classes, first on lowering the retail price of food and at present on supporting the unemployed. It then proceeds as follows:

> The probable prolongation of our unemployment policy must arouse the gravest anxieties. There is the real problem of the hour, the burning question. Before considering other social tasks, interesting to be sure, but less urgent, we are obliged by present difficulties to deal first with immediate exigencies. As the proceeds of the capital levy are to be spent for social purposes and notably on insurance schemes, it would not really increase the public revenue. Its adoption would on the contrary involve us in new expenditures at a moment when our first duty is to re-establish the equilibrium of the budget and to satisfy the most urgent needs of the people.[2]

Having declared the proposed capital levy to be unjust, undemocratic and impracticable, and having shown in the light of past and present foreign experience that it would destroy confidence, cripple industry, and ruin public finances by driving out of the country a large part of the taxable property and by absorbing a large part of the remainder, the federal government in its report concludes as follows:

> At the end of our statement let us sum up the motives for which we categorically oppose the initiative concerning the capital levy:

[1] *Rapp du C. F. etc. du 1er août 1922*, p. 13.

[2] *Ibid.*, p. 20.

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1. When states in distress have had recourse to such an extreme measure they have justified their action by the urgent and absolute necessity of attempting a supreme act of rescue. The condition of our public finance does not oblige us to adopt such a dangerous measure.

2. The capital levy would not improve the public finances of Switzerland because its proceeds are earmarked for a special purpose. It would on the contrary injure the financial situation of the cantons and the communes by decreasing their revenue. From this point of view it is a political danger.

3. It would increase our financial difficulties and postpone the so urgently desired return to normal budgetary conditions. It would deprive the Confederation, the cantons and the communes of a part of the resources required for the accomplishment of their immediate duties.

4. The capital levy would irreparably injure our general economic fabric. It would deal a fatal blow to our already so sorely tried manufacturing industries.

5. It would accentuate the prevailing economic crisis, diminish the opportunies for economic enterprise and everywhere increase unemployment. It would gravely injure the laboring classes.

6. As all confiscatory measures it would destroy the incentive to save which is the source of general prosperity. It could lead our country towards the goal of general impoverishment.

7. In a democratic community it is unjustifiable that a tax should be paid by six per thousand only of the population. Under a democratic cloak the initiative proposal introduces a régime of privilege contrary to the principles of equality which are at the basis of democratic institutions.

8. The compulsory payment in kind is a form of confiscation which leads to the socialization of the means of production. The initiative proposal tends to introduce into Switzerland the communist system.[1]

On the basis of this report parliament proceeded to the discussion of the socialist proposal at its autumn session of 1922.

The Council of States, which happened to have the priority in the matter, devoted its sitting of September 28, 1922, to the bill. Mr. Böhi, a radical member for Thurgovie, chairman of the commission which had been appointed to examine it, on behalf of all his colleagues, proposed to reject the levy in

[1] *Rapp du C. F. etc. du 1er août 1922,* p. 34 *et seq.*

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accordance with the recommendation of the government and to refrain from presenting any counterproposal to the referendum.

In his introductory statement he expressed regret that the discussion of the bill could not be postponed, as another heated referendum had taken place on September 24 about which the socialists were very much elated. They had just scored a victory at the polls by securing the defeat of a measure put forward by the government involving more stringent legislation against internal revolutionary movements. The discussion of the capital-levy bill however could not be adjourned as it was provided by statute that parliament should express its opinion on all initiative proposals within a year of their submission and as that period had already elapsed since September 21.

Mr. Böhi then proceeded to subject the bill to a very searching criticism. He opposed it on account of its purpose, its methods and its consequences. Its basic purpose, he declared, was neither to improve the condition of the federal finances nor to favor real reforms, but to bring about "the levelling and the socialization" of the economic structure of the country. In its methods it offended against the fiscal principles of democratic universality and of fairness, inasmuch as the levy was to be paid by a small minority on capital only and not on income. The consequences of its adoption would be calamitous as it would cripple industry, discourage savings, drive away capital, destroy confidence, ruin the banks and create a new state bureaucracy. In closing Mr. Böhi denounced the measure as "an act of violence masquerading under the false appearances of right and justice" and as "the first step of economic revolution and the first step on the road to communism."[1]

Mr. Wirz, the next orator, spoke on behalf of the Catholic population of the small and mountainous cantons of central Switzerland. The levy would effect directly almost none of his constituents individually, he declared, as they were protected by their poverty. As a corporation tax, however, it would ruin the ancient communal associations which owned a great part of the alpine pastures and woodlands in the primitive cantons and

[1] *Bull. stén. off., Cons. des États,* 1922, p. 342 *et seq.*

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which, not being of a general public nature, could not claim exemption. Besides, he added, "the initiative proposal is in every way contrary to the essence and to the principles of our traditional Swiss democracy. . . . Democracy does not consist in the absorption of the individual and of his material and intellectual resources by the state. On the contrary it cannot thrive without the support of strong and capable individualities." [1]

The significance of such a statement, coming as it did, from an authentic representative of the sturdy inhabitants of the banks of the Lake of Lucerne who had practised democracy for over six centuries, is surely not to be ignored.

Another very strong indictment of the bill was made by Mr. Keller, a radical representative from Argovie, as chairman of the finance committee of the House. He declared that the bill implied the violation of the right of private property which was expressly guaranteed in all cantonal constitutions but one. Although, as a federal constitutional amendment, the measure could technically override the provisions of the fundamental law of the cantons, it would be none the less revolutionary. As one familiar with alpine nature he added: "When the snow once begins to roll down the mountain side, no one can stop the avalanche." [2]

After several other speakers, and notably Mr. Musy on behalf of the government, had addressed the House, it unanimously adhered to the negative proposal of its commission.[3]

The debate in the National Council, more than a fifth of whose members are socialists, was naturally longer and more heated. The majority of the commission of that branch of the legislature was in favor of adopting the government's recommendation, but there were two dissenting minorities. Beside the four socialist members of the commission, who naturally favored their own bill, two representatives of the left wing of the parliamentary majority put forward a counterproposal recommending another and much milder capital levy.[4]

[1] *Bull. stén. off., Cons. des États,* 1922, p. 347.

[2] *Ibid.,* p. 348.

[3] *Ibid.,* p. 360.

[4] *Bull. stén. off., Cons. Nat.,* 1922, p. 731 *et seq.*

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The debate was opened by the chairman of the commission, Mr. Meyer, a radical member for Zurich, whose opinion as director and chief economic writer of the *Neue Zürcher Zeitung*, the most important Swiss daily paper, carried great weight throughout the country. Analyzing the proposed capital levy as an economist, he declared that "its main character is that it cannot and shall not, according to the intention of its authors, be paid out of income." Referring to the failure of the *Reichsnotopfer* in Germany, where the government has been obliged to transform its original capital levy into an ordinary property tax payable out of income over a period of years such as the Swiss war taxes, he stated that the administration of such a measure as that before the House was "an economic impossibility". Having called attention to the financial repercussions which the mere threat of a capital levy had already occasioned, he asked: "Do we really intend to use all means for driving capital out of our borders?"[1]

After this critical and dispassionate report, the National Council during four sittings listened to the most varied oratory on the subject. The most extreme of the speeches made was that of the communist Platten, whose panegyric on the capital levy startled even his socialist allies and obviously impressed them as being franker and less subtle than political expediency would have required. The purpose of the measure, he stoutly asserted, was to create "a new era". It represented "the legal method of expropriating the expropriators." It was but the first step "in the right direction." "As for our party," he added, "we must declare that as soon as the occasion arises we shall not hesitate to resort to the capital levy a second, then a third, then a last time!" He closed his remarkable utterances by expressing the hope that the social object of the bill would enlist in its favor not only the wage-earners, but also the artisans, who should welcome the opportunity of "dealing a blow to large-scale capitalistic enterprise, their most deadly competitor."[2]

[1] *Bull. stén. off., Cons. des États*, 1922, p. 733.

[2] *Ibid.*, p. 776.

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The bill was less naïvely and more ably defended by two of the socialist leaders, Messrs. Schmid and Grimm. The former recalled all the promises that had been made in favor of social reforms by the government and by the parliamentary majority. During the war the laboring classes had been told to wait for peace and to trust in the future.

To-day, four years after the armistice, [he added] we do not know when this government will present to parliament and to the people a practical plan that will allow the solution of the most urgent social problems in the near future. . . . It is most advisedly that we have declared that the capital levy shall serve only for purposes of social progress. The initiative was born of the conviction that the prevailing fiscal policies, that you of the ruling parties are not able to secure the necessary funds for the solution of the great problems of the hour. We do not dream of submitting a proposal merely in order to allow you to repay the public debt.[1]

In a very aggressive but most effective speech, Mr. Grimm sought to refute the arguments of the majority and particularly these presented in the report of the government, which he declared to be "one of the most superficial and trivial documents which he had had occasion to read in the course of his parliamentary career." The criticisms made of the proposals, he proceeded, were essentially contradictory. Was the chief aim of the measure the socialization of the means of production or was it the financing of social insurance? Was the levy undemocratic because it was to be paid only by six per thousand of the population or was it calamitous because it would ruin everyone? Who was the more immoral of those who wished to despoil a few millionaires of a part of their ill-gotten wealth or those who deprived the aged workmen of the well-deserved necessities of life? "Two worlds", he concluded, "two philosophies are clashing over this problem. Which will triumph? You may reject the capital levy. The people may reject it. We can afford to be defeated now because we are certain of ultimate victory. We have that which you lack and which gives

[1] *Bull. stén. off., Cons. des États.*, 1922, p. 748.

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us strength and courage and enthusiasm: we have youth and that is fine!"[1]

The most moderate opponent of the socialist proposal was National Councillor Schär of Bâle-Ville. Being the head of the consumer's cooperative movement in Switzerland, Mr. Schär was naturally most hostile to any form of indirect taxation which might affect the cost of living. The fear that the rejection of the bill might oblige the federal government to resort to a further increase of the tariff, in order to finance its program of social reforms, had prompted him to put forward an alternative proposal for a milder capital levy, which was to apply only to individuals and not to corporations and whose maximum rate was to be ten per cent and not sixty per cent. In submitting this suggestion he was actuated by another fear also, as is shown in the following extract from his speech: "I apprehend that if the temper of the population should grow still more threatening than it was shown to be already by the recent vote,[2] there is some chance that the present bill might be accepted *ab irato* by the electorate".[3]

This fear was not shared by most members of the House, who believed on the contrary that any concession made to the socialists would merely tend to weaken the growing popular opposition to their plans. The Catholic party was particularly firm on this point as the capital levy aroused their moral indignation as well as their patriotic apprehensions about its possible economic consequences.

In this connection, Judge Müller of Lucerne, one of the leaders of the Catholic party declared: "I have no doubt that those elements of the population which are represented by our party will unanimously take their stand on the basis of the labor encyclical of Leo XIII, where it is said: "that the public authorities must guarantee private property. The movement of the masses in which the craving for the wealth of others awakes

[1] *Bull. stén. off., Cons. des États,* 1922, p. 782.

[2] An allusion to the referendum against the bill on revolutionary propaganda referred to on p. 38 above.

[3] *Ibid.,* p. 759.

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must be bridled. The desire to improve one's position without unjustly injuring the interest of one's neighbor is legitimate. But to seek to appropriate the property of others under the pretense that social equality is to be established is to attack both justice and the general welfare." [1]

Another influential Catholic leader, Mr. Baumberger of Zurich, ended his speech on the socialist proposal amidst warm applause by declaring: "I am not in the least of the opinion of my colleague Schär who seems to believe that a bit of a capital levy, that a bit of confiscation would be quite acceptable. No, the Swiss people in its sense of justice agrees to the principle which has been laid down in the cantonal constitutions and that has always been recognized, namely that the confiscation of property is not right, is morally despicable. We must not shake this sense of justice as its maintenance is not unrelated to the esteem in which the good name of Switzerland is held and to the moral position and prestige of our country at home and abroad." [2]

Everything that had so far been said in the debate and written in the press showed that the capital levy was looked upon with favor by a considerable part of the industrial proletariat and with abhorrence by the urban bourgeoisie and by the Catholic peasantry of the primitive cantons. It was therefore obvious that the decision would to a great extent rest with the large and cohesive body of the agricultural population of the plains. On general principles it could be expected that the farmers would not be enthusiastic over any proposal put forward by their arch-enemies, the socialists. On the other hand the clauses in the bill providing for an extremely high tax-free minimum and for the partial confiscation of large estates, which are to be found only in the cities in Switzerland, had been purposely framed with a view to the small peasant and to his natural jealousy of urban wealth. Besides, the fall in prices of of all agricultural produce had brought about a real agrarian crisis and created discontent and bitterness throughout the country.

[1] *Bull. stén. off., Cons. des États,* 1922, p. 756.

[2] *Ibid.,* p. 768.

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It was therefore with peculiar interest that the National Council listened to the speech of Mr. Jenny of Berne, the foremost parliamentary representative of the powerful farmers' organization. The vigor with which he opposed the bill was unsurpassed by any of his colleagues. "The peasant," he declared, "is bound to the soil. His land, his fortune lies in the sun open to everyone's view. . . . Unlike the capitalist he cannot mobilize his wealth, nor change his abode, nor export his belongings, nor escape taxation by other devices. Therefore the peasant must needs be very suspicious of a measure of this kind." Mr. Jenny proceeded to show how the capital levy would necessarily increase local taxation by driving away and by absorbing a large part of the available movable wealth and how it would raise the rate of interest on agricultural mortgages. Calling attention to the fact that the evaluation of real property varied considerably from one commune and from one canton to another, he demonstrated the appalling inequalities to which the assessment of a heavy federal property tax would give rise. He concluded: "The peasant is the most typical representative of the system of private ownership and private enterprise. . . . He wishes to be left free to dispose of his fields as he sees fit. In this respect there is no difference between the smallest peasant and the largest landowner. Their ideal is precisely the same: a free man on free soil!" The Bolshevists of Russia, whose example the socialists of Switzerland are so curiously prone to follow, continued Mr. Jenny in substance, have learned at their expense that even they could not impose their views on the Russian peasantry, and have accordingly been obliged to redraft their agrarian program. "What is today abandoned in Russia is being taken up again by our communists in Switzerland. We shall have nothing to do with their policy of economic adventure."[1]

Before the end of the debate, which was reached on October 6, 1922, in spite of the vehement protests of the socialists, Mr. Musy made another long speech. Refuting the criticisms of those who claimed that, by opposing the capital levy, he was

[1] *Bull. stén. off., Cons. des États*, 1922, p. 758.

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sacrificing the masses already staggering under the burden of indirect taxation, to the protected wealthy few, he declared; "Since 1913 the Swiss tax-payer has paid 3850 million francs to the state, of which 3330 millions in the form of direct taxes and 520 millions in the form of indirect consumer's taxes. In 1921 the direct taxes yielded eighty per cent of the total public revenue. . . . There is not a state in Europe where the proportion of direct to indirect taxes is as high as in Switzerland." [1]

At the end of this parliamentary controversy, which clearly foreshadowed that which was to be carried on before the people, the National Council, brushing aside by a large majority the counterproposal of Mr. Schär, rejected the socialist capital levy by 129 votes against 40. The minority, with the exception of one radical member who later recanted, was composed exclusively of socialists and communists, who to a man followed the lead of their chiefs.[2]

III

The capital levy before the people

Under Swiss law any constitutional amendment proposed by 50,000 citizens must, after discussion in Parliament, be submitted to a popular vote. We have seen that the initiative petition calling for a federal capital levy was submitted to the government on September 13, 1921, and discussed by the legislature from September 28 to October 6, 1922. The date fixed for the constitutional referendum was December 3, 1922.

When the legislative debates came to a close, the popular campaign, of which we now propose briefly to tell the story and to define the results, had already begun.

The forces arrayed on opposing sides differed in leadership, organization and resources as much as in purpose.

On the side of the friends of the proposal the direction of the operations lay exclusively in the hands of the executive committee of the Swiss Social Democratic Party. In all parts of the country the official socialist organizations and press were

[1] *Bull. stén. off., Cons. des États.*, 1922, p. 770.

[2] *Ibid.*, p. 794.

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solidly in favor of the measure. The minority group of "*Grutléens*," or moderate, national socialists, were divided, but their numbers were small and their importance almost negligible.

The enemies of the bill, on the other hand, were much less cohesively organized. The government was unanimously against the capital levy, but they did not take a very active part in the popular campaign. In its course the minister of finance, Mr. Musy, it is true, delivered several important speeches before large audiences, but his colleagues showed a far greater reserve than they had done on previous occasions, notably when two and a half years before they had fought for the cause of Switzerland's entry into the League of Nations. This reserve was due principally to their confidence in the outcome of the struggle and perhaps also to their notoriously divergent views in matters of fiscal and social reform.

Besides the Federal Council and quite independently of it, all the non-socialist political organizations decided to participate in the campaign and several cantonal governments took the rather unusual step of issuing proclamations against the capital levy. The economic organizations were no less active. All the banking, manufacturing, artisan and agricultural interests, grouped in Chambers of Commerce, associations, unions and clubs of various sorts, passed resolutions opposing the bill. The churches and particularly the Catholic bishops condemned it from the pulpit and one university even so far departed from the academic tradition of political neutrality as to denounce it in a public statement.

In most of the larger cantons non-partisan committees were formed to coordinate the efforts of these various groups and institutions, to raise campaign funds, organize lectures, issue and distribute pamphlets, tracts, posters etc. and to supply local sub-committees with propaganda material. The cantonal committees were loosely federated into a "National Action Committee Against the Capital Levy," which established its headquarters in Berne. Still more perhaps than on previous occasions it was found advisable to refrain from interfering in any manner with the activities of the local organizations and to allow them to conduct their propaganda in accordance with the extremely

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divergent tastes and habits of the various parts of the country. Even the campaign literature issued by the national committee was often rejected by the cantonal groups as unsuited to the particular needs of their respective communities.

While the socialists therefore enjoyed the advantages of unity of command and discipline—a very doubtful advantage in political struggles in Switzerland—their enemies went into battle in open order, with less leadership, but with at least as much conviction and enthusiasm and with infinitely greater resources. The contrast in this latter respect was as evident to any outside observer as it was natural. The socialist treasury, which had never overflowed with wealth, was much affected by the economic crisis and had recently been still further depleted by two strenuous political campaigns. The opponents of the capital levy on the other hand had encountered no difficulties whatever in raising campaign funds. Not only had large corporations and men of means willingly paid their share as an insurance premium, but all classes of the population had been generous in contributing to avert what was coming to be generally considered as a menace of national ruin. So obvious was the abundance of funds at the disposal of the enemies of the socialist measure that they soon became conscious of its danger. They therefore avoided all too ostentatious methods of propaganda and sedulously refused the cooperation of all whose personal wealth might cast a doubt on the disinterestedness of their purpose.

The campaign was conducted very much along the lines adopted during the preparation of the referendum on the League of Nations.

Popular orators, preferably drawn from non-political ranks, addressed urban and rural assemblies in theatres, moving-picture hall, churches, school-rooms, gymnasiums, and cafés all over the country. Several special booklets were issued as guides for lecturers addressing audiences of various characters.[1]

[1] Such as: *Merkblatt für Referenten,* a four-page leaflet giving the summary of a popular lecture; *Die Vermögensabgabe. Leitfaden für Referate in ländlichen Verhältnissen.*

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Pamphlets and tracts, signed by well-known political or professional leaders or published anonymously by party, religious or non-partisan organizations, were issued in tens of thousands and sold or gratuitously distributed. Some were intended for the average citizen, while more were particularly written for certain particular classes or professions. The following titles will indicate the nature of some of the appeals addressed to the voters:

"Citizens! A grave danger threatens our country. Read and ponder!"

"You also [in bright red type] will feel the consequences of the capital levy!"

"Down with robber initiative!"

"Red hopes [in red type] and black fears [in black type]."

"The capital levy, a public danger!" by Dr. H. Tschumi (head of the middle-class movement).

"The initiative concerning the confiscation of property and its economic and agricultural consequences", by Dr. E. Laur (head of the farmers' party).

"Why the wine-growers must reject the communist and socialist initiative concerning the confiscation of property."

"Watch-maker beware! Danger threatens our national industry!"

"Employees and workmen, do not saw off the branch on which you rest!"

"Consumers! tenants! Is not the cost of living in Switzerland high enough already?"

It would absorb far too much space to enumerate, let alone to analyze or describe all the pamphlets, leaflets, tracts, caricatures, post-cards and posters published by the various opponents of the socialist bill. The arguments therein expounded or suggested are substantially the same as those put forward in the parliamentary debate. It is curious to note, however, how the considerations of general welfare which served for parliamentary purposes are narrowed down and concretely presented in the form of *ad hominem* appeals in the pamphlets written for the edification of the electorate! The following, summarily cited, are the main dangers and disadvantages which, it is

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claimed in this campaign literature, the proposed capital levy would entail for the commonwealth and for the individual voters. If adopted, it would, it is said:

Undermine the right of property.

Destroy the political and social order.

Violate all democratic principles.

Disgrace the honorable name of Switzerland.

Increase public expenditure and taxation.

Ruin the local finances.

Bring about public bankruptcy.

Kill economy and wipe out the middle classes.

Deal the death blow to industry and lead to forced emigration.

Increase unemployment.

Plunge the small farmer into debt.

Reduce wages, increase rents, the rate of interest, and the cost of living.

Introduce spying and denunciation into the national habits.

Destroy all privacy.

Lead to renewed confiscation.

Depreciate Swiss securities.

Multiply the federal bureaucrats.

Concentrate all moneys in Berne.

Introduce communism.

Diminish the consumption of wine, particularly of good, expensive Swiss wines.

Diminish state subsidies in favor of particular industries.

Lead to the exodus of capital and industry.

Ruin the watch-making trade.

Tend towards the nationalization of all means of production.

Destroy all ancient and traditional corporate property.

Ruin church and convent estates.

Besides these and countless other sombre predictions, real pressure was used in certain industrial quarters to prevent the wage-earners from voting in favor of the measure. Individual and collective threats of dismissal were not infrequently made in factories where it was announced that business would cease on December 4, if the capital levy were adopted on December 3.

On the whole it cannot be denied that, in combating the

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demagogical socialist bill, its opponents themselves sometimes resorted to extremely demagogical methods and arguments.

The socialists, attacked from all possible angles and by all imaginable means, overwhelmed by the written and spoken propaganda of the united bourgeois parties, and seeing their own troops faltering under the pressure of their enemies, were toward the end of the campaign placed entirely on the defensive.

After the referendum of September 24, 1922, at which, allied to a large part of Swiss liberal opinion, they had scored a signal victory by defeating a government measure at the polls, some of their leaders may have believed in the possible success of the capital levy initiative. A large portion of the investing public certainly did so, as the prolonged panic on the stock exchange, the very important withdrawals of cash and securities, the disappearance of gold, the fall of the exchange and the increased circulation of paper money clearly showed.

After the legislative elections of October 29, 1922, however, which demonstrated that the socialists did not represent more than a fourth part of the electorate, no one still seriously doubted the outcome of the referendum. Here again the favorable reaction of the stock market was symptomatic.

From then on until December 3, the only subject of political speculation was the probable strength of the negative majority. The socialists themselves in the very meagre campaign literature issued by their organization openly admitted that they had no chance of victory. The only pamphlet they published in the French part of the country was entitled: "A little precise Truth to force back the mountains of equivocation, error and fallacy destined to terrify the people." In this pamphlet, dated November, 1922, and published in La Chaux-de-Fonds, the center of the watch-making industry, which had long been a socialist stronghold, the capital levy was recommended partly because it had no chance of being adopted! It is not possible, we believe, to interpret otherwise the following passage:

All means are allowable to enable the speculators to make profitable

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hauls on the stock market. The elections of October 29 have shown it. One would have had to be completely mad to believe that the socialist party could have made such gains as to assure the adoption of the initiative on December 3. But two aims were achieved. By provoking a stupid panic our foes sought to weaken our party at the elections. That is not very serious. But they especially sought to induce all the timid small investors to throw their securities on the market in order to make large profits by buying them up cheap.

Having given up all expectation of victory, the socialists devoted their main effort to reassuring the electorate about their own intentions and to denouncing the exaggerations and the alleged hypocrisy of their opponents. Over and over again their press recalled the repeated pledges given by the federal authorities in favor of old-age pensions and invalidity insurance and their persistent failure to redeem these pledges. This was evidently their trump card.

The Swiss people however, realizing both the alarming condition into which the public finances had been plunged as a result of unforeseen and unavoidable circumstances and the dangers of the remedy proposed by the socialists, preferred to forego the immediate benefits of further social legislation rather than to secure them at the expense of economic stability and national safety. This preference they unmistakably expressed at the polls on December 3, 1922, as is shown in the following table:

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THE RESULTS OF THE INITIATIVE AND THE REFERENDUM ON THE CAPITAL LEVY BILL

Cantons	Registered voters	Initiative signatures	Votes cast on referendum	Valid votes	Percentage of votes	Ayes	Nays
Zurich	141,599	18,599	122,215	119,986	86	19,848	100,138
Berne	178,535	20,660	154,065	153,301	86	20,956	132,345
Lucerne	46,702	2,612	41,451	41,326	88	2,260	39,066
Uri	5,807	866	4,836	4,811	83	335	4,476
Schwyz	16,085	775	13,181	13,144	82	454	12,690
Unterwald (Ob)	4,606	.....	4,061	4,049	88	78	3,971
Unterwald (Nid)	3,566	.....	3,072	3,065	86	57	3,008
Glarus	8,828	295	7,489	7,436	85	413	7,023
Zug	8,181	451	6,998	6,956	85	748	6,208
Fribourg	36,056	866	34,888	34,772	96	1,115	33,657
Solothurn	33,969	2,891	28,673	28,124	84	4,005	24,119
Basle City	33,445	2,102	27,507	27,346	82	7,534	19,812
Basle Country	20,891	2,525	16,910	16,755	81	2,536	14,219
Schaffhausen	12,325	522	11,278	10,829	92	2,011	8,818
Appenzell (Aus. Rh)	14,013	875	12,377	12,166	88	1,108	11,058
Appenzell (Im. Rh)	3,396	80	3,125	3,108	92	66	3,042
St. Gall	68,957	4,745	63,446	62,321	92	6,274	56,047
Graubündten	29,434	1,367	25,575	25,207	87	1,876	23,331
Aargau	59,776	9,696	56,076	54,889	94	9,193	45,696
Thurgau	33,790	3,062	31,274	30,773	93	2,773	28,000
Ticino	40,065	3,802	26,083	25,498	65	4,386	21,112
Vaud	85,180	4,159	74,063	73,691	87	7,484	66,207
Valais	33,992	704	29,699	29,572	87	1,495	28,077
Neuchâtel	34,253	4,551	28,760	28,579	84	5,509	23,070
Geneva	39,072	1,330	29,046	28,950	74	7,188	21,762
Switzerland	992,523	87,535	856,148	846,654	86	109,702	736,952

The bill was thus rejected by 736,952 nays against 109,702 ayes, and by nineteen cantons and six half-cantons against none.

These results came as a stupendous surprise to all concerned, as well as to all Swiss and foreign observers. Never in the history of the country had such a large proportion of electors taken part in a federal referendum and never had a contested political battle been so decisively won.

Both the extraordinarily high percentage of participants and the overwhelming majority of the nays were to some extent no doubt due to the remarkable efforts of the political, economic and religious propaganda that had been carried on against

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the bill. The significance of the popular verdict, however, is not appreciably lessened thereby. On December 3, 1922, the people of Switzerland unequivocally declared that, in the perturbed state of Europe, it was their absolute will to set their house in order by normal means without indulging in any revolutionary attacks on private property and before assuming any new social responsibilities.

It is not our purpose minutely to analyze the above statistics nor to seek to determine the probable consequences of the decision.

It is obvious that the socialist movement has suffered a setback in Switzerland. This not many will regret. Not even the socialist leaders, for, as one of them privately admitted to me with great candor, the socialist masses were becoming unduly restless, unmanageable and unreasonably indifferent to the serious economic and financial state of the country.

Direct democracy has once more been vindicated in the eyes of impartial observers, although there is a growing feeling that the use of the constitutional initiative should be regulated so as to prevent a small minority of the electorate from periodically plunging the body politic into sterile and economically harmful agitation.

There is no danger, however, that, because they have rejected the socialist proposal for a capital levy, the Swiss people will abandon their progressive ideals and become reactionary. Already the discussions about social insurance have begun again in Parliament, initiated by prominent members of the majority.

In the meantime a great national collection is being taken up throughout Switzerland in favor of the aged poor. In several cantons this movement is being guided and the subscription lists are headed by the non-political leaders of the campaign against the capital levy.

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INDIVIDUAL DIFFERENCES AND DEMOCRATIC THEORY

IN one of the greatest books of all time Aristotle gave the world the benefit of his reflections concerning social life as he observed it in the numerous polities of the Greek world. As regards human inequalities he remarked:

> He who by nature is not his own but another's and yet a man, is by nature a slave. . . . But is there anyone thus intended by nature to be a slave, and for whom such a condition is expedient and right, or rather is not all slavery a violation of nature? There is no difficulty in answering this question, on the grounds both of reason and of fact. For that some should rule, and others be ruled is a thing, not only necessary, but expedient; from the hour of their birth, some are marked for subjection, others for rule.[1]

Aristotle was deeply impressed with those differences among men due to nature or heredity; he considered these natural differences so profound that they fixed a man's status in the social hierarchy. But he was far from considering the existing division into bond and free as in harmony with nature. He found that men differ both in their bodies and in their minds; but "some slaves have the souls and others the bodies of freemen," that is, some slaves have the power of reason, some have bodies unsuited to manual toil. But on theoretical grounds the obvious differences of men one from another make it evident that "some are by nature free, and others slaves."[2] Logically, Aristotle should have provided for an intermediate class of partly-free-partly-slave individuals; or, in fact, for a gradation from those wholly free through various degrees of partial freedom to complete slavery in all respects. But the practical bearing of his doctrine required no such refinement, for he wished merely to establish the right of Greeks, as being superior to barbarians, to be always free.

[1] Benjamin Jowett, *The Politics of Aristotle*, Oxford, 1885, pp. 7–9, 82–94.

[2] *Ibid.*

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Twenty-three centuries later, John C. Calhoun, one of the most astute political theorists yet produced in America, fully aware of Aristotle's view, likewise argued that the status of freedom or slavery for the individual must be determined by his ability. He pointed out that the most common observation of men would disprove the frequent assertion that all were entitled to the same degree of freedom. He asserted that liberty is not an inborn trait, a natural inheritance given alike to all men because they are men, but a condition of life achieved by some but impossible of achievement by others; it is "the highest reward bestowed on mental and moral development, combined with favorable circumstances." Individual liberty, therefore, is a status to which men must attain by struggle, by the development of personality, wealth and power, and only those well endowed with intelligence, moral character and political capacity may hope to attain it, and even then "favorable circumstances" may prove essential to success.

Now it is obvious that this is only the prolegomenon to the assertion of the inferiority of the negro, both physically and mentally, and his lack of capacity for self-government. For Calhoun went on to assert that not only was there no injustice in governing those not capable of governing themselves, but the presence of an inferior class especially adapted to menial pursuits was the ideal basis for a perfection of republican institutions. The freedom of the upper class from the more exhausting forms of manual labor afforded the necessary opportunities for political observation and the acquisition of political wisdom. Moreover, he argued, the achievements of the Athenian republic show that the cultivation of the highest forms of art, literature and philosophy is facilitated when a substratum of servile laborers releases the energies, ambitions and creative powers of the freemen.

Needless to say, neither the view of Aristotle nor that of Calhoun founded thereon represents the characteristic view in America. This latter view grew slowly from distrust of democracy to sublime confidence in it, largely because of the irresistible influence of free land and the unrestricted opportunities furnished to initiative and intelligence by a new, vast and

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rich continent. The early settlers were not at all imbued with abstract democratic ideas; indeed, they were aristocratic in both theology and politics. In Massachusetts only a fraction of the settlers were "freemen"; John Cotton denounced democracy as "the meanest and worst of all forms of government"; while Massachusetts Bay publicly declared, "Two distinct ranks we willingly acknowledge from the light of nature and scripture, the one of them called Princes or Nobles or Elders (amongst whom the gentlemen have their place); the other the people." For the former hereditary honors were thought fitting.[1]

The transformation of these early aristocratic ideas into eighteenth-century democratic philosophy was no doubt due fundamentally to conditions of the material environment; but the writings of the social contract school served to give definiteness of formulation to widely accepted ideas of liberty and equality. Surprising as it may seem, the great apologist for absolutism, Thomas Hobbes, had already made an explicit argument for the mental and physical equality of men. He said: "The difference between man and man is not so considerable as that one man can thereupon claim to himself any benefit to which another may not pretend as well as he." A weak man can even kill a strong one. "And as to the faculties of the mind, I find a yet greater equality amongst men than that of strength." And here Hobbes becomes more clever than convincing, for he observes that the strongest argument for the natural equality of men is that every man thinks himself as wise as any other; "for there is not ordinarily a greater sign of the equal distribution of anything than that every man is contented with his share".[2]

[1] Merriam, C. E., *A History of American Political Theories*, p. 15.

[2] *Leviathan*, ch. xiii, *cf.* D. G. Richie, *Natural Rights*, London, 3d ed., 1916, p. 246. It is interesting to compare the opening words of Descartes' *Discourse on Method*: "Good sense is of all things in the world the most evenly distributed, for everybody thinks himself so abundantly provided with it, that even those most difficult to please in all other matters do not commonly desire more of it than they already possess. It is unlikely that this is an error on their part; it seems rather to be evidence in support of the view that the power of forming a good judgment and of distinguishing the true from the false . . . is by nature equal in all men". *Philosophical Works*, tr., by Ross and Haldane, 1911, vol. I, pp. 80–81.

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Hobbes' purpose here seems to be, not to establish any principle of democracy, but to reach the conclusion that, because of an approximate equality in natural powers, men aspire to the same status and hence "if any two men desire the same thing, which nevertheless they cannot both enjoy, they become enemies." In other words, his assumption of natural equality is basic to the doctrine that the state of nature is one of war "of every man against every man", a state "where every man is enemy to every man". This makes "the life of man solitary, poor, nasty, brutish and short", and can be escaped only by creating a common power which all men shall fear. Thus an assumed inherent equality among men became the primary premise in the demonstration of the necessity and rightfulness of governmental absolutism.

Locke, whose influence in America was much greater, was much less explicit in asserting the physical and mental equality of men. His state of nature was one "wherein all power and jurisdiction is (*sic*) reciprocal, no one having more than another, there being nothing more evident than that creatures of the same species should be equal one amongst another, without subordination or subjection." His language throughout this passage[1] indicates that he thought in terms of the unity and brotherhood of man growing out of a common creation; this made all men "equal and independent," destroyed all basis for distinctions of rank and status. This foreshadows what has become a fundamental feature of the democratic faith, that all men are created human and are equal in having the traits common to humanity. But Locke never uses language which implies that he thinks of men as inherently equal in physical and mental powers. Rather he thinks of men as equal in the sense that a certain democratic equality obtains among aristocrats; this "community of nature" prevents any man from assuming that any other was made for his uses "as the inferior ranks of creatures are made for ours."

But by the time of the Revolution the material environment had worked its inevitable effect in creating a spirit of individual

[1] *The Works of John Locke*, vol. IV, Bk. ii, ch. ii.

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liberty and equality unattainable in the old world. The social contract theories of Locke and Hobbes had been devised for the purpose of contributing to the partisan prestige of political factions in England; they devised a state of nature, one to show that men had surrendered all their natural liberty in order to secure the benefits of government, the other to show that men had retained their natural liberties and that government was responsible to them. In the view of both philosophers men were born both free and equal. Now the early settlers in America lived in an actual state of nature. It was, therefore, "self-evident" to them "that all men are created equal" and "endowed by their Creator (that is by nature) with certain inalienable rights." But the Revolutionists meant by the phrase "created equal" little, if anything, more than that citizens are equal in civil and political rights. They were much less concerned with the philosophy of democracy than with the establishment of the doctrine of popular sovereignty and the right of revolution. We are almost compelled to assume that they did not give to their words a thoroughgoing philosophical meaning, otherwise their inconsistencies cannot be resolved. Thus the Connecticut Declaration of Rights of 1818 asserted "That all men, when they form a social compact, are equal in rights, etc.", while the Mississippi (1817) and Alabama (1819) declarations repeated this phrase with the word "freemen" in place of "men". In any case, the phrase did not prevent those who uttered it from disqualifying others from the full rights of citizenship, or even from holding some in slavery. While their phrases were broad and theoretically inclusive, the interpretation was controlled by various practical considerations which enforced "mental reservations" as regards concrete situations. But one ought not to seek for logical consistency between the phrases used in war-time and the concurrent or subsequent actions of their sponsors. Could anything be further from democracy, justice and the rights of small nations than the dictated abominations of the Versailles Treaty?

Even the author of the famous Declaration recognized the existence in society of a "natural aristocracy". Thus far he agreed with John Adams who had contended that men are

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essentially unequal. Both men accepted the substance of Jefferson's statement: "That form of government is the best which provides the most effectively for a pure selection of these natural *aristoi* into the offices of government." But Adams had little faith in the capacity of the people to make such selection, whereas Jefferson's faith, while not unlimited, was large and broadly inclusive.

But even without these limitations the sonorous phrases from the philosophical abstractions of the eighteenth-century rationalists fail to express the full faith and idealism of American democratic doctrine at its height. It was only after the American people faced their own West with their backs toward the Alleghanies and their faces toward the gilded peaks of the Rockies that the full force of the American material environment worked its magic effect on political and social philosophy. The Jacksonian doctrines represented not only an extreme political individualism with emphasis on individual rights and personal liberty, but it became a religion of faith and confidence in the heaven-born wisdom and virtues of the "Common Man". There is no finer epic in the whole history of the human race than this. It was as if the soul of man, pent up by the narrowness and pettiness of age-old restrictions and repressions, had been released to realize its longings and day-dreams in a new paradise. Thus democracy in America came to be an evangel, a new gospel, of which the fundamental doctrine was the essential equality of men not merely in political capacity, or the right to vote and hold office, but in the far more fundamental right of each to develop his own powers, enjoy the fruits of his own labor, to view himself as an end in himself, and consider himself and his children objects of equal social solicitude alongside any other members of society regardless of rank or property. In fact there are not wanting evidences that democracy came to mean that men were in fact equal in mental and moral capacity and that a complete and perfect equality could be realized among men by a perfect equalization of opportunity for each to develop his powers.

The most pronounced sociological apologist for this doctrine of absolute equality was Lester F. Ward, whose views have

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been widely accepted by sociologists and social workers and meet a ready response in the emotional attitude of the average American. His "*Applied Sociology*"[1] was a prodigious but futile and scientifically unsound effort to justify the popular faith in inherent equality and the unbounded efficacy of environmental improvement. In that work, however, he did not assert an absolute equality of all men, but only an equality of classes. "Differences in native capacity exist and are as great as they have ever been pictured, but they exist in all classes alike."[2] He did contend, however, that all persons were capable of such assimilation of scientific knowledge as to be able to utilize its practical value for increased efficiency and social adjustment. His fervor, however, rose shortly after the publication of that volume for we find him saying in refutation of the theory that "race suicide" involved race degeneracy: "The only consolation, the only hope, lies in the truth that, so far as the native capacity, the potential quality, the 'promise and potency' of a higher life are concerned, those swarming, spawning millions, the bottom layer of society . . . are by nature the peers of the boasted 'aristocracy of brains'."[3] This is neither science nor common sense, it is blind faith; but nevertheless, it is the faith of a vast number of fervid idealists working for the improvement of social opportunity and educational methods in the optimistic confidence of being able to make anything out of anyone, of at last discovering how to do that traditionally impossible thing of making silk purses out of sow's ears.

Some such postulate must be at the bottom of what is vaguely called "the American spirit" or genuine "Americanism". The extension of the suffrage, not on the grounds of expediency, but on the grounds of right; the expansion of democracy in government by popular elections, the initiative and referendum and recall; the boundless faith in education; these are evidences that the faith of Jefferson and Jackson

[1] New York, 1906.

[2] *Op. cit.*, p. 101.

[3] *Publications*, Amer. Sociol. Soc., vol. I, pp. 131–2; reiterated by Ward, *Am. J. Soc.*, vol. 18 (May 1913), p. 754.

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is still a living faith among us. Democracy is still the fundamental religion of the nation, but grave doubts begin to appear as to the speedy realization of the happy day-dreams of our fathers. The land is full of strangers of alien race and tradition; in spite of popular education and heroic efforts at social betterment objective inequality has increased so that the wilful unbeliever must now admit it. Class lines are appearing even in the democratic west; even class war stalks through the land in which our cant-mongering political orators and purblind newspaper editors say there are no classes. It is inevitable that under these circumstances political philosophy should be recast, just as inevitable as that the conditions of American life for 250 years after 1620 should have given us this consuming and transcendental faith in the common man. Shall we see a return toward the views of Aristotle and Calhoun? Will there be merely a regrounding of present faith in equality of opportunity, popular elections and representative government? Or will democracy become identified with proletarianism, communism and the cult of incompetence?

The most obvious modification of the traditional view comes from the demonstration of the fact and nature of individual differences. It does not seem probable that anyone has ever seriously believed men to be equal in hereditary physical traits or mental capacities. Like some other articles of faith it has not been literally believed but the assertion of its untruth has been looked upon as heresy. The democratic faith seemed to require the assumption of equality as an essential element in the creed; and what was democratic was beyond question. Hence men who would not in open argument consciously have asserted that according to their observation men were equal, were on the other hand far from asserting or even desiring to assert that men are not equal. On the contrary, they gave the doctrine tacit assent and responded to its assertion with quickened emotion; for in the last analysis the ideal of equality and brotherhood is the heart of all religion, a consciousness of a common origin and a common destiny, and a common share in the life and fortune of the clan or tribe. But the facts of biology and psychology are forcing a conscious recognition of

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inequality, of differences in origin and destiny, of differences in the rôle played in the life and fortune of one's nation. How can one describe these differences?

In the first place, there are the obvious physical differences of height, weight, complexion and body build. More important are other physical differences, such as vitality, energy, endurance, resistance and longevity. These are the most important vital indices of the individual as an organism and play a large part in determining his life career. Among physical differences should also be included natural deformities and defects whether of bone, muscle or nerve structure which handicap the individual in the race of life. In fact there is scarcely any difference between men which does not rest on a physical basis and in some way reflect the qualities of each as an organism. But, without giving a tedious enumeration, here must be included all those multitudinous differences in brain size and structure which reflect themselves in mental and moral qualities. For the most part these traits are gifts of nature and do not depend in the first instance on environmental conditions. Among children of the same social class there are found the greatest differences in energy, resistance to common ailments, and physical endurance. With respect to all his vital powers nature has set for each individual definite limits beyond which he cannot go even under the most favorable circumstances. He may reduce his capacities by unwise living habits; he may fail to achieve his maximum because of poor food, overwork, or accident. But in the ordinary case among the American people neither of these conditions is anything like as important for the life career as the original gifts of nature. Moreover these qualities are inheritable in the sense that they run in families. It is largely because of them that some families have been able to produce a much larger proportion of able and even distinguished persons than others.

But it will be said that physical differences have been obvious, and never denied. Certainly; and mental differences are no less obvious and vastly more important for success or failure. The work of Galton, Pearson, the educational psychologists, and the psychiatrists have made it plain that

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there is no mental trait in which men are equal. The fact met with everywhere in scientific inquiry is the extraordinary dissimilarity and lack of uniformity in the human species as regards its mental capacities in different directions. These differences may be observed in children at the earliest ages at which they can be subjected to systematic study. This is the basic fact of the new era in education and democratic political and social theory. In politics and education we have heretofore acted on the doctrine that in some inexplicit way men were equal; there are now various signs of the active acceptance of the doctrine that in a very explicit way every person is an individual. These mental differences reveal themselves with respect to all those powers tested not merely by the considerable variety of school studies and activities, but by every sort of ingenious device which clever psychologists can invent. There are differences of the sense powers one and all; differences in speed and accuracy; differences in comprehension, imagination, judgment, reasoning. These differences increase in breadth as one moves from the tests of the sensory powers to the higher mental processes. This is a fact of the utmost significance, for it means that while men may be much alike in many commonplace activities they may be vastly different in their capacity to meet difficult situations or to attain the higher levels of human activity and comprehension.

Finally mention should be made of those differences of a more subtle sort which lie at the basis of many character traits and manifest themselves in the emotional qualities. Here we have to do not merely with emotional stability or instability as manifested in any form of neurotic behavior, but with qualities of temper, disposition, suggestibility, etc.

Now there is a most extraordinary variety in the combinations of physical, mental and emotional character traits. The highest success in creative work may be possible in spite of serious physical handicaps or emotional instability, provided the mental powers be adequate. On the other hand, a useful and satisfactory life results from a combination of very ordinary intellectual powers with sound physique, emotional stability, and sanguine temperament. As the popular adage says, "It takes all sorts of people to make a world."

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But the real question is not after all whether men differ, but whether the differences among them are due to heredity or to the circumstances of training and experience. This matter is made infinitely difficult by the fact that observed differences are clearly due both to heredity and environment, thus making partisanship natural and dogmatism easy. The tradition of democracy is that they are due to greater or less opportunity for the development of innate capacities. The genius of democracy is essentially leveling; it would establish an equality of right among persons objectively and subjectively unequal. The concept of justice given by Lester F. Ward represents the ideal of democracy. "The true definition of justice is that it is the enforcement by society of an artificial equality in social conditions which are naturally unequal."[1] Democracy would put all persons on a level of equality regardless of sex, race, intelligence or property. It has steadily sought an equalization of civic rights by guarantees of personal liberty and an even administration of the laws for all. It has likewise steadily equalized political rights by removing property, religious, race, nationality and sex qualifications for the suffrage. It now seeks not merely to preserve and extend these rights but moves in the direction of an equality of material rewards and economic conditions. This latter is now called revolutionary by the bourgeois class that not long since carried through the revolutions which converted medieval feudalism into modern capitalism by promulgating doctrines of liberty and equality. But it is only a step from the doctrine that all men are alike because all are human, to the doctrines, first, that all men are endowed by their Creator with like capacities for enjoyment and hence, as many Utilitarians contended, the happiness of one man is as important in the eyes of a socially just community as the happiness of another; and secondly, that in a highly complex society where each inevitably becomes dependent on all, all useful work is essential to the happiness and welfare of all, and hence there can be no distinctions in the rewards of those whose work is indistinguishably necessary. There is no opposition between the spirit of democracy and communism.

[1] *Applied Sociology*, p. 23.

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Now it is impossible to discuss the full bearing of all this here; it has been presented to show that the essence of the progressive phase of present-day democracy is the establishment of "an artificial equality" among persons naturally unequal. Democracy as liberty was a temporary phase in the evolution of the democratic philosophy, when liberty was the first necessary step; the cycle is not complete until one has taken account also of equality and fraternity. But we have seen that men are in fact unequal, physically, mentally and morally; they are unequal at birth in their potentialities in all these respects, and they differ in the benefits received and the damages inflicted by their experience and training. It is for this reason more than any other that democracy remains in fact a rule of minorities; that justice is not administered equally for rich and poor; that civil liberties are enjoyed fully by some and scarcely at all by others; and that objective inequality in wealth and security of status diminishes in spite of splendid efforts to give all a fair start in life. There is in fact a fundamental and permanent contradiction between that individual liberty which democratic theory cherishes as one of its great historic achievements and that equality to which it fervently aspires. For the inequalities in the capacities of men bring it about that under liberty they achieve very unequal conditions; equality in objective status can, therefore, be attained only by modifications in the nature and scope of individual liberties. Why then does inequality persist in such striking forms in the midst of the most devoutly democratic community of all time?

The answer to this is to be found in the answer to the question whether individual differences are due primarily to heredity or to environment. If differences are due primarily to inheritance they will persist until some systematic effort is made consciously to control the inheritable capacities of the population. If the differences are due primarily to differences in opportunities for education and the training of natural powers then they can be substantially reduced by a much greater equalization of the conditions surrounding the youth of the country; in fact, on this basis one might reasonably have expected that popular education would have already resulted in

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a great equalization of objective conditions. This is admittedly a difficult question but there need be no longer any substantial doubt as to the general nature of the answer which science is making to it. Whether one approach the matter from the standpoint of psychology and education, from that of psychiatry and criminology, from that of biology and eugenics, the answer in the phraseology of Galton is that nature counts for vastly more than nurture.

The evidence can be only very briefly suggested here. It has long been known that the feeble-minded youth became a feeble-minded adult; that the dullard remained a dullard and that the bright and precocious youngster as a rule not only maintained his lead over his companions but outdistanced them in the race of life. The mental testers now find that the intellectual quotient of a child remains substantially the same from year to year. They also find that the superior children not only learn more and learn it more rapidly than the inferior children, but in any exercise depending on practice they improve more rapidly. The educators find a close correlation between retardation in the public schools and low mentality, just as they find a similar correlation between acceleration in school and superior mentality. Likewise the tendency to leave school is correlated with mental deficiency while persistence in school is correlated with mental excellence. If, in other words, high school and college education have been related to success in life this relation can be explained in the main by the fact that those who persisted in the educational effort had the qualities of mind and character which would have given them more than an average success in any environment in which they in a similar fashion competed with their fellows.

One needs only to read the records of the Jukes, the Nam Family, the Ishmaelites, the Hill Folk and similar studies of defective stocks to realize the importance of heredity as a factor in poverty, destitution and every form of depravity. The record of reform schools, reformatories, prisons, penitentiaries and night courts reveals an astonishing proportion of congenital feeble-mindedness among the victims. When one observes the vast amount of sins and wickedness that go unpun-

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ished or even bring their perpetrators wealth and hence honor and distinction, one is tempted to conclude that the one punishable crime is innate stupidity. Miss Maude Minor found that the prostitutes of the night court were merely those who were too stupid to make a success of the business. An uncomprehending fool, lacking in imagination and powers of association, may be sent to prison for stealing a loaf of bread, while a clever financial crook may rob his entire community systematically for years and all the time occupy a seat among the mighty, be a pillar of his church, and a citizen mentioned with respect on public occasions because of his benefactions. And yet his clever crookedness may be at the same time a matter of common gossip; but in general the world respects him for his success and wishes it might do likewise. Dr. Woods Hutchinson concluded from an extended investigation of criminals under detention that all the odds were on the side of the law; the average policeman was both stronger and shrewder than the average prisoner.

Those who approach this question from the standpoint of biology and eugenics are even more emphatic than the educators, psychologists and psychiatrists in the opinion that heredity is vastly more important than the environment in the determination of the relative success of the individual. Galton[1] concluded from his study of twins that one might almost question whether nurture counted for anything at all by contrast with nature. He found that twins that were identical remained astonishingly alike in physical, mental and moral traits in spite of differences in education and experience; those that were not identical grew less alike in spite of similarity of home training and education. Thorndike's[2] study of twins likewise indicated the prepotency of hereditary factors. Finally, mention should be made of the numerous inquiries of the Galton Laboratory of the University of London, specifically designed to weigh the relative importance of nature and nurture by means of the

[1] Francis Galton, *Inquiries into Human Faculty and its Development*, original edition, 1883.

[2] E. S. Thorndike, *The Measurement of Twins*, N. Y., 1905.

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coefficient of correlation.[1] These are the most important and conclusive studies yet made of this fundamental question and they should be more assiduously studied by sociologists and social workers. While subject to the criticism that they often seem to rely on statistical method to overcome defectiveness in the original data; and that their tone is often supercilious and unduly dogmatic, these inquiries must stand as the best criteria we yet have of the relative weight of the two factors until they are either improved or disproved.

Professor Pearson's method may be simply illustrated by the case of height. The height of an individual is the result of those original organic tendencies and capacities due to his inheritance and the effects of his nourishment, exercise and living conditions generally. Now by studying the relation of the heights of many persons with the heights of their respective parents one gets a measure of the importance of heredity; by studying the relation of heights to the various conditions of life one gets a measure of the importance of environment. If the heights of sons always differed from the average height of the population in the same direction and by the same amount as the heights of their fathers then one would not hesitate to say that the heights of the sons were entirely due to the hereditary factors transmitted to them by their fathers. If, on the other hand, the heights of sons bore no relation to the heights of their fathers, if short fathers were as likely to have tall sons as were the tall fathers, then one would not hesitate to say that the heights of sons were in no way due to heredity but to other factors. Now, Pearson finds from many studies having to do with a great variety of human traits that the measure of relationship for inheritance is at least seven times as great as the measure for the environmental factors.

In the present light of knowledge it seems at least safe to conclude that the level of success attained by the individual is in general primarily determined by his inheritance of energy, intelligence, special aptitudes and character traits.

This is an extremely simple statement of a complex matter

[1] See especially the *Memoir Series* and the *Lecture Series*.

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and space will permit its elaboration to only a slight extent. In the first place, it should be noted that the biological factor is the limiting factor in the individual's attainment. One cannot even by the most effective educational alchemy make silk purses of sows' ears; one cannot by the most skilful training make fleet runners out of club-footed persons. When training or cultivation has reached the limits set by the organic structure, whether of nerve or of muscle, or of both, there development ceases.

In the second place, there is thus no substitute for the original endowment. If one be feeble-minded he cannot even under the most favored environment rise beyond feeble-minded levels. Education and training may go far in habit-formation or in the cultivation of one's abilities, but each is conscious of having found his own limits in many directions; or at least, if not his own, then the limits of his acquaintances. The Vineland experts have concluded that the effort to teach even simple reading to those of mental ages less than seven is uneconomically employed; and college professors know many students for whom the years in college represent wasted time, effort and money, for they could become dish-washers or street-car conductors by a shorter route and be even happier without their college "education" than with it. But if education is not a substitute for brains, the converse is true, for superior ability frequently dispenses with formal instruction.

In the third place, it should be noted that the organism is itself dynamic in relation to its environment rather than static. It tends to seek out those conditions that favor its development; it is attracted by conditions that permit self-expression and the cultivation of latent powers. This is more strikingly true as one ascends the scale from imbecility to genius. The mental-testers have frequently commented on the fact that the individuals of low intelligence were apathetic and uninterested while those of superior powers were on the alert and quick to take advantage of every opening to try their powers. This is the fundamental reason why every sort of social environment known to the social surveyor produces superior individuals. They come rarely from some conditions, primarily because the

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germ plasms in that neighborhood are not rich in superior possibilities, but they do arise. It is for this reason also that individuals are constantly sliding down the social ladder climbed by some more capable forebear. We thus see a constant movement in society from every social and economic level to all others; neither the support of ancestral fortune nor the weight of ancestral failure can prevent this steady shifting. Galton asserted that genius would always rise, but his opponent, Lester F. Ward, asserted that the alleged self-made men were mythical, for all who rose to the surface were favored by opportunity. Now the fact seems to be that opportunity for one is not opportunity for another; the greater the gifts the less the special opportunity necessary for them to triumph over obstacles that lesser gifts cannot meet. Moreover, superior natural gifts tend largely to create their own opportunities, partly by utilizing resources of the environment undiscovered by mediocrity and partly by winning the favor of persons and institutions anxious to utilize or promote the development of the talented.

So it appears that in a rough but imperfect way the relative rank of individuals in the social stratification is determined primarily by their organic inheritance. Education and training can give direction, can shorten the processes of habit formation; they can increase skill and facilitate the achievement of one's maximum. They may sometimes succeed in making a poor lawyer out of what might have made a really excellent plumber, but they make a good plumber better and in shorter time, and they facilitate the adjustment of the lawyer's capacities to the special demands of his profession. But many a plumber achieves with little or no formal education and little of what is ordinarily considered "opportunity" more of this world's goods, and if he be a truly good plumber (a bold assumption), more of honor and enjoyment than many a lawyer of vast training. The latter may be so poorly equipped by nature that he must supplement his earnings by varied subterfuges, until at last he drifts out of the profession into something more suited to his tastes and capacities.

In other words, rank in society is in the long run and by and

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large a consequence of the native powers handed down from one generation to the next. It is not meant here to imply that the relationship of rank and native abilities is so close as entirely to justify the present social arrangements; it is obvious that inherited wealth on the one hand and poverty and misfortune on the other are disturbing conditions. But it is meant to imply that the importance of the hereditary factor as compared with the environmental is so great as regards the production of those inequalities of rank observed among us that no effort to achieve a more perfect equality by an equalization of opportunity can meet with more than the faintest success. The level of well-being in the entire community has been elevated in the last century in consequence of the marvelous material advancement which has affected the whole of western society; but rank and gradation would seem to be as great as ever, if not greater. The extremes of material possession are certainly wider; the maladjustment of the less capable has increased; as civilization increases in complexity, education becomes more and more essential, but the suitably endowed reap so much more benefit therefrom than the poorly endowed that education, while a factor in social adaptation, is probably not a factor in social equalization.

Does this imply a return to the aristocratic political doctrines of Aristotle and Calhoun? In one respect the answer to this question is easy, for those theories implied the existence of hereditary social classes with differences in legal status and the impossibility of individual movement from one to the other. The facts of individual differences warrant no such inferences. Studies of the ability of children grouped according to the occupation or other mark of social status of their parents, while indicating a general superiority on the part of the children of the more successful parents, nevertheless show that this superiority pertains to them as a class and not as individuals. There is a great overlapping so that some children whose parents occupy nearly every social rank manifest similar intellectual ability. The proportions and averages of the different groups are different. Children whose parents occupy lowly positions show a lower average ability than

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children whose parents occupy high social rank; and a smaller proportion of them achieve any intellectual rank above the average of all.[1] The same reasoning applies to various nationality and racial groups in this country.[2] Even so striking a case as the negro warrants no permanent differentiation of negroes as a political or economic class; while they average lower in intelligence, many of them greatly exceed even the average of the whites in mental capacity. Moreover, intellectual power alone, even were it simple and capable of measurement with strict accuracy, is not by any means the sole test of a man's value to society. That value is a complex including also the whole of his qualities as a physical organism and those more subtle inherent dispositions and propensities which lie at the basis of his character traits. Obviously steadiness, honesty, even temper, good humor and sound health are socially valuable. Indeed we are altogether too prone to view such values in an idealistic and ethical manner rather than from a standpoint of sociological realism. Bagehot in his *Letters on the French Coup d'État* long ago extolled the "virtues of stupidity", while downright wickedness and brutality have at least the utility of giving breadth and meaning to life and adding inspiration and depth to art, literature and philosophy.

The progress of knowledge of human nature harmonizes with democratic and humanitarian sentiment in holding that the social worth of a child cannot be determined by the social rank of his parents. A son may be worth infinitely more than his father or infinitely less. Upper classes excel lower classes in the possession of those inherent qualities that make for success in the social struggle, and so do their children, but in neither case is it possible to draw the line of demarcation so as to preserve any identity between social rank and social worth. If one thinks in terms of averages one may reach

[1] See Terman, L. M., *The Measurement of Intelligence*, Boston, 1916, and Woodrow, C. M., *Brightness and Dullness in School Children*, Philadelphia, 1919, for summary view.

[2] See Brigham, C. C., *A Study of American Intelligence*, Princeton, 1923. This author's study of facts is valuable, but his interpretation is vitiated by his naïve and credulous acceptance of Madison Grant's modernization of Gobineau's Nordic mythology.

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Calhoun's conception of the value of a free upper class of John Adams' hereditary aristocracy devoting themselves to the higher activities of the political and social life; if one thinks in terms of individuals, as democracy insists we must, and takes account of both the variations within any class and the variations between parents and offspring, then a definite and hereditary aristocracy or caste system of any sort becomes untrue to the facts and hence reprehensible. There is a continuous gradation of the population from very low to very high merit with reference to all qualities for which we have information; this gradation is found in children and it is found in adults; and any line of division at any point in the scale of distribution will not be in harmony with any possible hereditary caste system. Even feeble-mindedness is a relative term and the line of its demarcation an arbitrary one. Moreover, everyone is a mixture of good, bad and indifferent qualities and would not rank at the same level in the scale of distribution of all socially desirable traits.

And yet we do have classes; and every society has some elements of a caste system. These are based in last analysis on inherited qualities; but in any actual case they are based in part also on the necessary division of labor resulting from the existing structure of economic society, and in part on different standards of social excellence established by different groups within the larger social whole. But these stratifications are not hereditary; and the effort of democracy to keep the channels between the different strata as wide open as possible is fully in harmony with the facts of individual variations. The fundamental error of the democratic faith is the belief that in some way this tendency to stratification is fundamentally artificial, and can be destroyed by an extension of popular education and humanitarian activities. There is no actual ground for this faith. Let us admit that in large part the present stratification is to be explained by such artificial institutions as the inheritance of property or such misfortunes as sickness, accident, or death of bread-winner. Should we have gotten rid of social strata by wiping out the artificial support of some and removing the undeserved handicaps of others? We might succeed in

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relocating certain individuals, but stratification would remain, for we should then have given those inherent differences, which are just as evident among children as among adults, opportunity to become the sole determiners of social rank. And, unless men were prevented from competing with one another for the prizes of life and all stations in the social system were filled by lot or by bureaucratic dictation, the inherent differences would inevitably produce a social stratification much like the present one.

This point has been well expressed by D. G. Ritchie in his penetrating essays on *Natural Rights*:[1] "The abolition of legal restrictions on free competition allows the natural inequalities of human beings, in vigor of body and mind, to assert themselves. Even under a socialistic régime which fell short of a complete communism penetrating to every detail of every individual's life, there would be inequalities of condition which might prove extremely galling to persons who were strongly possessed with the passion of leveling." Even if such a society achieved stability, "it would prove unsatisfactory alike to the enthusiast for individual liberty and to the dogmatic believer in absolute equality."

This inevitable inequality among men throws a valuable sidelight on the recent discussion of an "aristocracy of brains" growing out of the proposal to restrict the opportunities of college education to those capable of meeting higher standards than those now in vogue. This has chiefly alarmed those finely humanitarian spirits who seem to feel that any mention of superiority and inferiority is undemocratic and smacks of snobbishness. Now, as the foregoing remarks have indicated there is no possibility of finding a basis for an aristocracy in the sense of a class in which a certain social rank shall be inherited by the class as a whole. But if we limit the concept aristocracy to each single generation in turn we not only have it in every society no matter how democratic it deems itself, but we cannot avoid it. Those who rise to the top to positions of power and financial independence in our society are the aristocrats of

[1] p. 258.

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capitalist society. One can conceive a society in which the social values would give somewhat different types of talent and character the upper hand. But one cannot conceive a society in which men are allowed to develop and exercise their powers yet in which there will not be that precious few who constitute the leaders in affairs, practical, artistic and scientific.

There are two quite different conceptions of the rôle of education in a democracy. Those who find in equality of opportunity the essence of democratic conditions see in education a principal means whereby the natural aristocracy of the country can be discovered and trained for the superior responsibilities it is to fill. On the other hand are those egalitarians who follow Lester F. Ward in thinking education will prove the great leveler and prepare all to compete on even terms. This is an erroneous notion. Education is in fact highly selective; it prepares for life mainly by teaching people how to read and by establishing a series of hurdles which must be jumped if one is to continue his reading under expert direction. The present tendency of this selective process is to make access to that higher training necessary for professional rating too difficult for all but the very highly gifted. The standards of admission to medical and engineering schools trend ever upward. At the same time the development of many sorts of vocational training is making it possible for the less gifted of every grade down to and including the moron to secure that instruction which facilitates the achievement of occupational adjustment. If then all artificial handicaps are eliminated and every child is fitted into the social order at a level corresponding to his innate powers with training corresponding thereto, we shall have realized the perfection of equalization of opportunity. We shall then have realized the conception of justice set up by Plato. But we shall still be far from equality; we shall have a definitely stratified society; the grades may be numerous and fine but there will be an enormous difference between those at the top and those at the bottom in social value, in power and in financial rewards. Under such circumstances those born to rule will have attained to power much as at present and those born to be ruled will be doing routine work under direction, much as they do now.

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The "aristocracy of brains" to be set up by mental testing, vocational guidance and vocational training will then differ from the present aristocracy in being chosen more scientifically with a somewhat closer approximation of social rank to native worth; but it will not substantially alter the extent of social gradation or the mediocrity of the mediocre.

But in spite of, or perhaps because of, the failure of equalization of opportunity to produce equality of social status, there is an insistent push in industrial democracy toward a greater objective or material equality. The individualism of our fathers becomes ever more impossible to maintain in view of the steady development of a more organic interdependence among the various parts of social life. This steadily elevates the level of social consciousness and strengthens the interest and concern of each in the welfare of others. Together with the great increase in social wealth, it has stimulated an unprecedented amount of philanthropic endeavor and organized social work for the improvement of the lot of the less fortunate. Now this same set of conditions, powerfully reenforced by the increase in numbers and power of the propertiless members of society, tends to throw the emphasis in the conception of democracy on the side of equality rather than on that of liberty. The demands of the working class are carried on under the old shibboleths of liberty and rights but they are at bottom a demand for an increased equality in objective conditions. Thus the assertion of a right to a living wage, which a wealthy and more or less humane society seems bound to grant, involves the right to marry, the right to procreate, and the right to such an income as will provide one's offspring with "a decent American standard of life". This is in harmony with the utilitarian interpretation of the Greatest Happiness principle, "Everybody to count for one, nobody for more than one", a doctrine which comes close to the heart of the ethico-religious faith of democratic egalitarianism. It is likewise in harmony with the assumption that where all are mutually interdependent, the work of everyone is necessary and therefore the value of one person to society cannot be distinguished from that of another. Now, this increased soli-

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darity of the social order has brought about already a large amount of socialization; it seems certain that an even larger amount will follow. We are not concerned here with the ethical question whether this is a "good" or a "bad" thing, but rather with the description of what is taking place. For it seems clear that the emphasis on equality as the goal of democratic effort involves an approach toward the communistic state. The institution of private property makes equality of external conditions or of power impossible. With the growth of numbers and power of propertiless mankind there will be, under the steady growth of functional solidarity, an increased demand for the socialization of all the primary goods and services. Now this may or may not constitute an improvement in the social arrangements; it will certainly involve a reduction in the present forms and scope of individual liberty. There will be an increase in the liberties and prerogatives for some and a decrease for others.

To all such changes the objective student of society may maintain an attitude of emotional indifference. To him social evolution is not a divinely controlled movement toward some far-off millennial goal, but the scene of operation of great forces which he as yet little understands. He sees no way therefore in which the main course of social evolution can be controlled. He must resign himself to a high degree of fatalism as regards the present possibilities of "telic" guidance. But one conclusion is enforced by the viewpoint here developed, namely, that if a democratic society is to continue in a sound, healthy condition, it must concern itself quite as much, if not more, with the hereditary constitution of its people as with efforts at a further equalization of material conditions. Inequalities will persist in spite of every effort at equalization. But dysgenesic tendencies in the field of biological reproduction may increase the relative mass of mediocrity in comparison with the proportion of leadership produced. In view of the increasing solidarity and complexity of social organization, the multiplication of world contacts, and the consequent necessity of meeting a much higher type of collective responsibility, the need of a high average of native intelligence and superlative

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qualities in popular leaders is an obvious necessity in political and economic relations. The continued progress of science, art and literature is equally dependent on a like condition. Since we wholly deny the existence of any such hereditary privileged class as Aristotle and Calhoun favored; and since one may well be skeptical of the final saving grace of the sentimentalism, the emotionalism, and the mysticism of democratic egalitarianism, just as he is skeptical of any other form of blind faith, he seems on safer ground in placing his confidence in those realistic biological forces which alone maintain unimpaired the hereditary gifts of the population, and by which alone they can be raised to a new plane of creative power.

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PARLIAMENTARY COMMISSIONS IN FRANCE. I

THE theory of modern constitutional governments is that legislatures have a threefold purpose: they legislate, they control expenditure, and they supervise the administration. Successes and failures vary in the different parliaments as the different tasks are attempted. One assembly may make a legislative rain that is much needed and that waters without flooding, but at the same time it may also be profligate. Another assembly may be legislatively inefficient but may keep the executive on starvation rations; and still another may administer better than it legislates. There are occasionally signs that Congress (to paraphrase Gladstone's remark about the American Constitution) considers itself the most wonderful work ever achieved by the brain and purpose of man, but some European parliaments are less complacent. Both the House of Commons and the French Chamber of Deputies, to judge from their recent debates and attempted reforms, have many qualms as to the adequacy with which they represent their peoples and the efficiency with which they do their work.[1] It is clear also that the framers of the new European constitutions who, though more verbose and meticulous than our own founding fathers, were at least not politically illiterate, believed that no foreign parliamentary system was worth transplanting without experiments with new grafts which they deemed necessary because of imperfections and not because of the strange soil in which the borrowed institutions were to burgeon.

All of the new constitutions attempt to make legislation less delayed and imperfect; to make executives less profligate and legislatures less complaisant in paying bills; to control executive policy, and to prevent bureaucrats from becoming auto-

[1] See for example *Report from the Select Committee on House of Commons (Procedure)*, 1914, Cmd. 378, and appendices; the debates in the House of Commons on the procedural changes of February, 1919; J. H. Humphreys, *Practical Aspects of Electoral Reform: A Study of the General Election, 1922* (London, 1923); "La question de la Représentation Proportionnelle intégrale," *L'Europe Nouvelle*, April 21 and 28 and May 5, 1923, and the debates in the French Chamber of Deputies on the reforms which should be inaugurated before the elections next year.

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crats either from devolution of powers upon them or because they work in unexamined security. But the problem is now much more difficult than it was a few years ago. The work of the legislature has vastly increased both in importance and in complexity. This change is so well known that it is not necessary even to adumbrate it. The legislative session is becoming longer and longer. Congress leaves its members scant time to care for their political fences.[1] The job of representative is no longer a sinecure. He is a harrassed attorney and, contrary to Burke's experience, the meanness of the business is frequently not raised by the dignity of the object.[2] At the same time there has been something approaching a metamorphosis in the legislative assemblies themselves. As populations increase there is a tendency for parliaments to grow larger and larger. As the suffrage is extended, members are paid, and labor parties become powerful, a different kind of representative is elected.[3] The House of Commons is no longer the best club in Europe. It is a legislative body in which there is reflected the sharp division of classes in the country.[4] Members no longer look upon election as an honor and stay at home. There is pressure from the party organizations and constituencies for them to become active. This pressure and their own predelictions make individual prominence the goal that is striven for. Competence is ignored by the electorate and is assumed by the legislators.[5] It comes as the gentle dew *vocis populi*.[6]

[1] See the sessional statistics in *The Liberal Year Book* and *The Congressional Directory*. A select committee of the House of Commons is considering the months in which the House should sit. See *Manchester Guardian* (weekly edition), May 4, 1923.

[2] There are some amusing remarks on the petty services that the French Deputy has to perform for his constituents in Henry Leyret, *La République et les Politiciens* (Paris, 1909) and *Les Tyrans ridicules* (Paris, 1911).

[3] Bryce, *Modern Democracies*, vol. II, chapter lviii (New York, 1921).

[4] *Labour and Capital in Parliament* (Labour Research Department Studies in Labour and Capital, vol. III, London, 1923).

[5] Justin, *La Responsabilité du Parlement sous le régime parlementaire*, p. 41 *et seq.* (Paris, 1918); Barthélemy, *Le Problème de la Compétence dans la Démocratie*, chapter ii (Paris, 1918).

[6] "I am unwilling to make the admission that if I have a piece of legislation

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In parliamentary governments, moreover, there is the particular problem of the private member: how to give him something to do. Division of labor is essential, but the danger is that division will be synonymous with confusion and irresponsibility. How may an assembly where contradictory aspirations struggle with each other be organized so as to function efficiently? The matter is not usually a constitutional one—although in some of the new constitutions of Europe the attempt is made to force action.[1] Ordinarily this question of organization is left to the chambers themselves. It is true that, as the leading French authority on parliamentary procedure points out, standing orders are on their face only internal laws of an assembly. But "in reality the rules of procedure are formidable instruments in the hands of parties; they often have more influence than the Constitution itself on the conduct of public affairs";[2] they determine the efficiency of the legislature and, more frequently than not, this is the efficiency of the whole governmental machinery.

One of the most interesting features of French parliamentary organization is the commissions of the Chamber of Deputies and of the Senate, and the gradual change in the rules relating to them makes a nice index of the change in legislative work from leisure to fevered activity.[3] The change also indicates

that I think ought to become the law that I am incapacitated, that people who are elected in other districts are incapacitated to do their own thinking and prepare their own bills. . . . . I am unwilling to make the admission that the House of Representatives must have an expert legislative bill-drafter to whom to go to draft bills. . . . . I realize we are getting away from representative government. The old monarchical idea of having men to do this work is growing rapidly. I have not an idea of that kind. I still believe people are capable of electing Members of Congress who can do their own work. I know that the representatives of the people do good work."—Mr. Sisson in the House of Representatives, January 20, 1923, *Congressional Record*, p. 2154.

[1] Primarily for the purpose, as will be seen later, of controlling the executive both during and between legislative sessions.

[2] Eugène Pierre, *Traité de droit politique, électoral, et parlementaire*, sec. 445 (5th ed., Paris, 1919).

[3] As long ago as 1884, however, Lord Bryce wrote that "those who note the way in which Parliament bends and staggers under the increasing burden of work laid on it, coupled with the inadequacy of its rules to secure the prompt

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how the letter may be modified by practice until its purpose is defeated, while aversion to laying impious hands even on obsolete rules prevents formal ratification of a *fait accompli*. Rules of procedure, it is interesting to note, even though they may be changed by a single assembly by a majority vote, are protected almost as well as constitutions themselves. In France they have been in no more danger than if a journey to Versailles had been necessary to get at them. The American Congress has likewise always been most reluctant to deal with its standing orders. This consideration, incidentally, is not without pertinence in the controversy over whether legislative omnipotence is not a danger that democracies must eschew.

The commissions, furthermore, are of intrinsic importance in respect of the efficiency of parliamentary government and the relations between the two houses. Experimentation now seems to have come to an end. Two years ago the Senate's organization was in its general outlines assimilated to that of the Chamber. Recent monographs and reports[1] have made available realistic materials on the motives which determined the new method of organization and on the actual workings of the system. Perhaps on the principle that political institutions

dispatch of business, have frequently predicted that the House of Commons may one day deliver itself into the hands of the Cabinet, the power of party organization having grown so strong that the head of each cabinet will be deemed a sort of dictator, drawing his authority, nominally of course, from the House of Commons, but really from a so-called direct 'mandate' of the electors." In 1901 Lord Bryce thought that although the power of the Cabinet was increasing, nothing had occurred to justify the apprehension he had previously expressed.—"Flexible and Rigid Constitutions," *Studies in History and Jurisprudence*, Essay iii. Today, however, the House of Commons is delivered into the hands of the cabinet. In France the ministry shares with the commissions its meagre control of the Chamber.

[1] André Breton, *Les Commissions et la Réforme de la Procédure parlementaire* (Paris, 1922); Joseph Bigaud, *Les Commissions parlementaire en France, en Angleterre et aux États-Unis* (Toulouse, 1920); the elaborate report of the Commission on Rules (prepared by Professor Barthélemy, the reporter), January 23, 1920, No. 228; and reports to the Senate, November 19, 1920, No. 484, and December 14, 1920, No. 848. One of the most elaborate documents was *Proposition de Résolution tendant à modifier le Règlement de la Chambre des Députés*, presented in 1913 by M. J.-L. Breton (for some time president of the Commission on Rules), No. 3148.

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are not without honor save in their own country,[1] French parliamentary commissions have attracted considerable attention abroad. This was in part due to the war and the control which the commissions of the Chamber and the Senate seemed to exert on the executive at a time when war conditions tended to make executives uncontrolled dictators.[2] The articulation of the French commissions with the executive departments is particularly well adapted to supervision of the administration. Congressional committees, which have many points of resemblance to the commissions, might, by a change in their number and scope, exert a more careful supervision over the executive. The House of Commons has debated such an organization. In December, 1916, Mr. Lloyd George promised that he would consider allowing the House to create commissions, but he later changed his mind.[3] It is natural that executives should look upon the commissions as instruments of torture. The framers of the new constitutions, however, have encouraged

[1] E. g., the French inclined towards increasing the powers of the President of the Republic and making him more on the American model until Mr. Wilson's conflict with the Senate over the Treaty made them think that perhaps they had better put up with the evils that they had rather than fly to others that they knew not of. See Henry Leyret, *Le Gouvernement et le Parlement*, p. 32 *et seq.* (Paris, 1919); Raymond Poincaré, *Histoire Politique: Chroniques de Quinzaine*, vol. II, p. 47 (Paris, 1921); *The Pomp of Power*, p. 125 (New York, 1922). The rigidity of the American government inspired the admiration of the English during the war (Dicey, "A Comparison between Cabinet and Presidential Government," *Nineteenth Century*, January, 1919) and, as will appear in some detail later in this paper, the House of Commons has long been interested in the French commissions.

[2] Étienne Fournol, "The System of Parliamentary Commissions in France," *The New Europe*, August 1, 1918.

[3] It is worth while to note here that in France the Government never makes suggestions for procedural reform and is careful about taking part in the debate. Intervention would be objected to, for the Chambers are jealous of their prerogatives and of their independence in this matter.—Breton, *Les Commissions et la Réforme de la Procédure parlementaire*, p. xix. In England, on the other hand, the Government takes the initiative. The procedural changes of 1919, for example, were forecasted by the king in his speech from the throne (February 11, 1919): "my Government will invite the consideration of the House of Commons to entertain proposals for the simplification of procedure of that House which, it is hoped, will enable delays to be avoided and give its members an increasing opportunity of taking an effective part in the work of legislation."

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and even ordered the legislatures to set up groups on the French model.[1] It may be worth while, therefore, to sketch the history of the organization and appointment of the commissions and to examine the way in which they function.

II

The organization of the French chambers from 1875 to 1902[2] discloses how wrong was the idea and how vain were the hopes that parliamentary business would not become complex and burdensome, for the original rules assumed a leisurely and pleasant existence for the Deputy. There was at that time no necessity for giving meticulous study to many legislative texts relating to highly complicated economic problems; the work of the chambers, even as to bulk, was far from as overwhelming as it is now. The task at present is to avoid all unnecessary formalities and to permit a rapid examination of a large number of questions by men who have some specialized knowledge acquired during their parliamentary service. The carefully complicated nature of the machinery originally set up in France insured a highly amateurish series of studies, discussions, and debates which afforded all members who so desired the privilege of setting forth their views and gaining personal prominence. There was no suggestion that haste would ever be necessary.

How cumbersome and time-wasting the procedure was may be seen by following the normal course of a bill.[3] The most complicated but the most frequent case was a law coming from parliamentary initiative.[4] It was filed with the Bureau of the

[1] McBain and Rogers, *The New Constitutions of Europe,* p. 34 (New York, 1922).

[2] Described by Bodley, *France,* vol. II, p. 220 *et seq.* (New York, 1898), and Lowell, *Governments and Parties in Continental Europe,* vol. I, p. 111 *et seq.* (Boston, 1896). See also A. P. Usher, "Reform of Procedure in the French Chamber of Deputies", POLITICAL SCIENCE QUARTERLY, vol. XXI, p. 475 (1906).

[3] Breton, *op. cit.,* p. xxvi *et seq.*

[4] On the abuses of parliamentary initiative, see Michon, *L'Initiative parlementaire et la Réforme du Travail législatif,* p. 189 *et seq.* (Paris, 1898). On recent changes in procedure, see Pierre, *Traité de droit politique, électoral, et parlementaire, Supplément,* sec. 683 *et seq.* (Paris, 1919).

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Chamber[1] and the introduction of the measure was announced to the Chamber by the president, who ordered the reference of the proposal to the Commission of Initiative. Before this reference, an initial debate could be held on a declaration of urgency (which permitted a more summary procedure) or on the reference of the measure to a commission that was already in existence. In either of these cases, or if the measure had been introduced by the Government, examination by the Commission of Initiative could be avoided. On the other hand, if the normal procedure was adhered to, there was another debate, following which a summary report was elaborated by the Commission of Initiative. This body was renewed every month and in its labors practically all of the deputies participated. If the proposal appeared to the Chamber to be worthy of further study and not particularly urgent, it was then sent to the Bureaux.[2] There it was reexamined, and the Bureaux then appointed a commission to deal with the particular project, to prepare a report, and to propose the text of the law. There would then be debates on two readings in the Chamber and the measure would be ready for the Senate. If the attempt had

[1] This, the central office of the Chamber, should not be confused with the Bureaux.

[2] These bodies originated in France and were copied in most other continental parliaments. They have little importance now anywhere except in Italy where they are called "offices", and in Belgium and Holland where they are called "sections". They are simply groups of members chosen by lot. In the French Senate they included 33 members each, and in the Chamber of Deputies, 54. They existed for a brief period—usually a month—and then were re-selected. They met separately and considered the same business. After a preliminary consideration of a bill each Bureau elected one or more representatives to a commission for examination and report on the bill. The object of such a device was to reduce the influence of special political groups, but in practice it only made the operations of the groups inconvenient. In reality the deliberations of these groups chosen anew every month were perfunctory. They were poorly attended; brief meetings were usually held for a moment before the opening of the session of the whole house (the only way in which a quorum could be secured) and there was no realization of the hope that discussions in the Bureaux would prime the Deputies for the debates in the Chamber and give a lead as to general opinion to the Deputies who were nominated for the commissions. See André Lebon, "La réforme parlementaire," *Revue politique et parlementaire*, vol. II, p. 230 (1894), and *Report of the Select Committee on House of Commons (Procedure), Appendix*, p. 228.

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been made, the proceedings could hardly have been more complicated and tedious.[1] Procedural changes in the French parliament during the last quarter of a century have been in almost consistent reaction against this anarchic and cumbersome régime of special commissions.

The simplification of this procedure and the transformation of the special committees into permanent ones did not come as an abrupt change. It came gradually and the new rules simply made uniform a practice that had been increasing. The Commission on the Budget, for example, lasted for the whole session and had a large competence.[2] The discussion of the French budget is laborious. Frequently whole sessions are given over to it without the passage of the law before January 1 and, indeed, it is the rule for the law to be agreed upon after the commencement of the year to which it applies.[3] Article 22 of the old rules of the Chamber sent to the Budget Commission all legislative projects which would affect state receipts or expenses. In practice the Chamber reacted against giving the Budget Commission jurisdiction of what was practically all of the most important legislation, and voted, on occasion, for the creation of special commissions for particular objects. Now the Budget Commission's competence has been limited to measures that are primarily financial, but for a period it was used as an avenue of escape from the necessity of creating so many special commissions.[4]

This matter of the Budget Commission was not the only revolt against the régime of special commissions. The rules both in the Senate and in the Chamber permitted reference of bills

[1] "After its birth, nothing can be more equable and nothing can be more plain to observation than the course of an American legislative measure. . . . . An English Bill begins in petty rivulets or stagnant pools. Then it runs underground for most of its course, withdrawn from the eye by the secrecy of the Cabinet." Sir Henry Maine's interesting (and in respect of the United States, not altogether convincing) generalization could have well been extended to a French bill, with slow-working, duplicated machinery for its consideration.—*Popular Government*, p. 239 (London, 1909).

[2] Pierre, *Traité*, sec. 767 *et seq.*

[3] Sait, *Government and Politics of France*, p. 231 (Yonkers, 1920).

[4] Breton, *op. cit.*, p. 17.

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to commissions already in existence to examine allied subjects. But this practice, of course, was contrary to the spirit of the rules in that it avoided the preliminary examination in the Bureau and confided the study of the projects to members who had been elected because of their opinions on a particular bill, and who, presumably, did not represent the Bureaux in respect of their attitude toward the new text. Some such plan was absolutely essential. Legislative proposals were increasing at such a rate that the creation of special commissions would have been a daily necessity. The Bureaux would have had to meet repeatedly for the preliminary examinations and the election of commissioners. Drawing their personnel from the same group, the work of the commissions would have been burdensome and their sessions sparsely attended. It resulted, therefore, that frequent use was made of the practice of grouping business relating to a single problem. This was in consonance with the letter but contrary to the spirit of the rules. The method of recruiting the commissions, however efficient for the original terms of reference, could only by accident be more than mediocre in respect of the subsequent reference. Grouping business was capricious and uncertain, and there soon developed quite a struggle between the commissions to get as many texts as possible, with the Chamber acting as arbiter and pacifying by rationing rather than rationally.

But if the scope of the commissions' competence was unsatisfactory, their duration was no less so. The intention was that each commission should expire when it had reported the laws submitted to it; but the new projects extended the duration of the commissions, and it was the practice for the more important ones to last until the end of the legislature. In the Senate, owing to the fact that one-third of the membership is renewed every three years, the terms of the special commissions were even more indefinite and extended. In 1920, before the Senate changed its rules, there was still in existence a commission elected in 1890 and another which dated from 1898. The commissions which had been in existence for ten or twelve years were in a majority.[1] Since these bodies were never renewed as

[1] Breton, *op. cit.*, p. 20.

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a whole, new Senators had no share in their work except as they were elected to fill vacancies, and the vacancies were filled in a curious manner. The Bureaux, whose life was only for a month, had long since vanished, but they were the only bodies competent to elect to the commission. They must, therefore, be called into existence again, but vacancies had in turn happened in them during the ensuing four, ten, or fifteen years. These were filled by the substitution of members coming from the same departments as the preceding members. Thus more or less permanent commissions, with improvised and poorly apportioned powers, were substituted in part for a large number of ephemeral commissions whose very multiplicity and transitory character insured quasi-sterility of results and an inefficient dispersion of the abilities of the Deputies. By 1898, however, the rules provided for eleven commissions selected annually; in 1902 the number was raised to sixteen and the commissions lasted for the whole legislature.[1] The number of special commissions in the Chamber was reduced from 184 to 71. From 1893 to 1898 the permanent bodies examined 550 bills, while from 1898 to 1902 they were given 1219 projects. For the same periods the total for the special commissions fell from 735 to 137.[2] This is an index of how the work of the Chamber was being gradually shifted from the special to the permanent committees.[3]

Further changes in the rules followed. In June, 1903, it was provided that reports not acted upon by one legislature could be taken up and presented by the commissions of the new legislature,[4] and the author of a bill was allowed to demand its consideration by the Chamber if six months had elapsed with-

[1] Breton, *op. cit.*, p. 243.

[2] At the first session of the Sixty-seventh Congress (April-November, 1921) 9775 bills and resolutions were introduced in the House of Representatives, but only 415 were reported by committees. The Senate was confronted by 3103 bills and resolutions and 320 reports were made. See *American Political Science Review,* vol. XVI, p. 43.

[3] For the proposals of reform before 1902 see Breton, *op. cit.*, pp. 24-30, and Poincaré, "Vues politiques," *Revue de Paris,* April 1, 1898.

[4] Breton, *op. cit.*, p. 32.

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out a report being made.[1] So many reforms had now been made that it was deemed advisable completely to revise the rules of the Chamber and even the preoccupations of the war did not prevent this from being done on February 4, 1915.[2] The number of commissions was increased to 19 and the Chamber reaffirmed a most important change in the method of nomination which had been agreed upon in 1910. At the beginning of 1920 there was a determined attack made on the rules. This came not from the old parliamentarians but from the new element which had been sent to the Chamber by the elections held after the war. M. Joseph Barthélemy, the reporter of the Rules Commission, complained that a month after its convocation Parliament had not yet been organized; that no reports had been filed and that, when "so many capital problems confront our agonized consciences,"[3] the legislative machine was functioning in a vacuum. But the newly elected members who were afraid of being discriminated against in the elections to the commissions and of not being allowed to play an important part in the work of the Chamber, were able to force only a few changes. The most important ones were a slight modification in the classification of the commissions, their nomination annually instead of every four years, and a rule (obviously designed to affect the neophytes) that no Deputy may be a member of more than two (it had been three)[4] of the grand commissions.[5] Several subsequent proposals were made and considered by the Chamber,[6] and while the organization will doubtless be experimented with still further, the existing

[1] *Règlement de la Chambre des Députés,* Art. 29; Pierre, *Traité,* sec. 786. The rule allowing the discharge of committees in the House of Representatives is unworkable. See Robert Luce, *Legislative Procedure,* p. 163 (Boston, 1922).

[2] There is a full discussion of the problems in J. L. Breton, *Proposition de Résolution tendant à modifier le Règlement de la Chambre des Députés,* No. 3148, 1913.

[3] Report of January 23, 1920.

[4] Art. 13.

[5] In the Senate and House of Representatives the party organizations adhere to the rule that a Senator may not be a member of more than two of the important committees and that a Representative may be a member of only one.

[6] E. g., No. 3270, October 28, 1921, and No. 3469, December 21, 1921.

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regulations, as M. Breton says,[1] mark "a veritable renovation" in French legislative methods. The principle of permanence for the commissions seems to be in no danger of demolition.[2]

In the Senate the changes in the rules relating to the commissions were much more delayed than in the Chamber. In 1911 the Senate provided for four annual commissions, on the Army, the Marine, Senate Accounts, and Railroads. Two general commissions, on Foreign Affairs and Agriculture, were later set up by special rules to deal with special emergencies, and while the influence of the former commission may be a matter of dispute, its activity during the war cannot be questioned.[3] But the rules still adhered to the principle of special commissions, although in practice this meant simply a haphazard permanence and an accidental general competence. The longevity of some of the Senate's special commissions has already been noted; their number steadily increased, and when the break was made, stood at 76, a figure which compares favorably (or unfavorably) with the American Senate, which is much smaller than the French upper chamber.[4] The randomness of the commissions' creation and functioning is indexed by the number of members on the different commissions: 54 consisted of 9 members; 14 of 8; 2 of 27; 4 of 36; one of 41, and one of 45.[5] This organization doubtless augmented the

[1] *Op. cit.*, p. 36.

[2] Originally the rules of the House of Representatives and the Senate provided for the appointment of select rather than standing committees. There were 350 select committees in the Third Congress (Luce, *op. cit.*, p. 99). The subsequent "vast development of organization is due to the separation which took place between executive management and legislative control."—Henry Jones Ford, *The Rise and Growth of American Politics*, p. 228 (New York, 1898). It is doubtful whether this is altogether true, but it is interesting that the development in France from select to standing committees has had, as will appear later, an intimate connection with the control of the ministry over the Chamber.

[3] L. Marcellin, *Politique et politiciens pendant la Guerre*, vols. I and II (Paris, 1922 and 1923).

[4] At the opening of the Sixty-sixth Congress (1919-21) the Senate had 74 committees, but beginning with the Sixty-seventh Congress the number was reduced to 33. For the same period there were 62 House committees. — Luce, *op. cit.*, p. 126.

[5] Breton, *op. cit.*, p. 37.

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upper chamber's notorious sloth in dealing with bills coming from the Chamber of Deputies.[1] Upper chambers, however, move slowly. As observers of the congressional system can bear witness, Senators usually try not to belie one of the literal meanings of their name: if senatorial wisdom is sometimes not *sans reproche*, senatorial deliberation is always *sans peur*.

Reform, when it came, was forced upon the Senate by the newly elected members. No elections to the Senate had been held between 1914 until 1920, when nearly 150 Senators—half of the membership—went to the Luxembourg for the first time. Their desire to participate effectively in the work of the upper chamber was responsible for the decision to follow the example of the Chamber of Deputies. The present rules provide that special commissions disappear if they do not report within three months, and the real work of the Senate is given over to twelve annual commissions nominated by the groups.

III

The debate on the question of whether the commissions should be select or standing covered the whole field of parliamentary organization, and, as will appear later, it has not been concluded. A few of the considerations discussed warrant mention because they throw some light on the theoretical efficiency of the French system as contrasted with the English, and particularly with the American. I say "theoretical efficiency" because government in action differs from government in books. A poor committee system may work well and a system which appears logical may function badly. Legislatures afford ample confirmation of William Penn's *dictum*: 'Governments, like clocks, go from the motion men give them; and as governments are made and moved by men, so by them they are ruined too. Wherefore governments rather depend upon men than men upon governments."

One of the arguments which restrained the French Parliament from making its commissions permanent was the fear that the spirit of specialism would be developed and that, from the

[1] Sait, *op. cit.*, p. 135.

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standpoint of the whole country, the political spirit of the Chamber would be menaced. Standing commissions, it was urged, were contrary to the principle of national representation. Parliament would cease to be a great forum in which opposing views fought for supremacy. It would come to be a chamber which ratified with increasing perfunctoriness decisions already reached in miniature legislatures. That there is much in this argument cannot be denied. But on the other hand, as has been suggested, the complexity and the number of political problems require some division of labor. The preparatory stages of complicated legislative proposals must be got through with somehow, and if the chambers as a whole attempt to deal with them, only chaos will result. Specialization is inevitable and it might as well be real as specious.

The régime of special commissions, as we have seen, sought to make it possible to ascertain the general sense of the chambers on a bill before its detailed study was begun. Against the system of electing the commissions for the duration of the legislature it was urged that this "*tendance générale*" would be ignored. Whatever the merit of this objection—and it was not much—it has been obviated by the institution of annual elections,[1] which, while they are largely reelections, do afford an opportunity to change the personnel of a commission to bring it into harmony with the prevailing view of the whole body.[2] And in any event the argument was even more forceful against the régime of special committees, for they lasted long after the proposal for which they had been appointed was reported.

Another argument against making the commissions permanent was the fear that the chambers would be reduced to a secondary rôle; that there would be a diminution of interest

[1] *Règlement de la Chambre des Députés,* Art. 11, modified by resolution of January 27, 1920; *Règlement du Sénat,* Art. 15, modified by resolutions of November 25, 1920, and January 18, 1921.

[2] The seniority rule in Congress prevents any effort to have the committees represent the dominant opinion in the Senate and House. And there have been frequent cases in which the opposite has been the case. See Luce, *op. cit.,* p. 121. Only rarely is a committee "packed" as was the case with the Senate Committee on Foreign Relations in 1919 to ensure opposition to the League of Nations.

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in their labors. This difficulty is a real one. It is analyzed at length in Mr. Wilson's *Congressional Government.* It could not be ignored in the debates on the change in the committee system of the House of Commons in February, 1919,[1] and there the danger is even more serious because the grand committees can meet concurrently with the House itself. Members will be in attendance on committee meetings and when called by the division bell will flock into the House to vote on party lines without having heard the debate—a situation which, in part, has always existed, although it has resulted from tea and visitors and boredom rather than from a division of parliamentary labors. To lessen oratory is an advantage; to make it perfunctory and fruitless—all the decisions having been taken in committee—means a further decline of parliamentary authority. Committee sessions in secret are inconsistent with the principle of publicity which should prevail in a democracy; open sessions compete with the whole House for public attention. Some of the sessions of the grand committees in England are fully reported in the press,[2] and the decision to have no official reports was due to a desire to make the proceedings more businesslike and not to detract too much attention from the House itself.

It is evident that government by discussion—the advantages of which were so brilliantly stressed by Bagehot's *The English Constitution*—is menaced by the division of legislative chambers into commissions. Even though there is some interest in the work of committees, the public will not pay so much attention to them as to the parliament itself. The part cannot compete with the whole, but may distract attention from it. The work in the committees is tentative; it can be overridden by the assembly. French publicists feared, nevertheless, that perma-

[1] *Parliamentary Debates,* Fifth Series, vol. CXII, February and March, 1919.

[2] See, for example, the detailed report (a column in length) of a committee's session on the School Teachers' (Superannuation) Bill, London *Daily Telegraph,* July 12, 1922. A bill (1922) designed to make it more difficult for the Labour Party to get funds from the trade unions was bitterly fought in one of the committees and was fully reported, but the appropriateness of Marquis of Queensberry (as well as procedural) rules was one of the reasons for the exceptional interest in the committee.

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nent commissions would mean legislation in a corner and would reduce the Chamber of Deputies to the status of a ratifying body like the House of Representatives. Government by discussion would be made more difficult. But the important consideration here is not only the manner of organizing the legislature. An equally important factor is the difference between congressional and parliamentary government and the fact that congressional government is committee government is simply an additional factor in, and not the primary cause of, the emptiness of debate. The presence of cabinet ministers in parliament and questions and interpellations are sufficient to allow a chamber whenever it sees fit to be a forum in which real debates take place. Arguments that parliamentary governments fail in this respect should be based as much on the general decline of parliaments before the press and extra-governmental agencies as on a division of legislative labors which the number and importance of modern governmental problems make inevitable.[1] The possible tyranny of committees, which is the less avoidable when they are permanent bodies, able gradually to increase their authority, is, in the congressional system, largely the fault of Congress itself; in parliamentary governments the House as a whole can on occasion find a powerful ally in the ministry. In France, far more than in England, the Chamber and the Senate retain control of their proceedings. There is no irresponsible agency like the Committee on Rules of the House of Representatives,[2] to dictate what may or what may not be done. Indeed the Government in France is subordinated and the Chamber largely determines for itself the nature and order of its work.[3]

[1] Mr. Laski declares that the result of the new committee system in England "is to make the process of debate a worthless farce. . . . Debate upon such terms is self-destructive and the House of Commons is now a chamber filled when some chance visit of the Prime Minister, or the excitement of a vote of censure, may compensate for the boredom unreality always involves." — "Mr. George and the Constitution," *The Nation* (London), November 6, 1920. This judgment, so far as it is based on the committees, is much too severe.

[2] For recent incidents illustrating the control of the Committee on Rules, see *American Political Science Review*, vol. XV, pp. 79 and 373, and vol. XVI, p. 90; G. R. Brown, *The Leadership of Congress*, p. 199 (Indianapolis, 1922).

[3] In 1911 a Business Committee was established in the French Chamber. Its

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IV

It is obvious that when much of the work of the legislature is done by committees, their manner of selection is of capital importance. The problem has been a difficult one in Congress: should there be appointment by the presiding officer or election by the chamber which, in practice, means formal ratification by the chamber of the choices made by the party organization and its leaders? The problem may be a recurrent one if the committees are reorganized to make them more competent. Congress has avoided this uncertain evil by putting up with the known evils of seniority and possible mediocrity in respect of the chairmen of its miniature legislatures.[1] In England, where the grand committees exist solely for the purpose of getting through the preliminary stages of legislation sent to them, there has been little competition for places and the problem is as much to get the committees filled as it is to satisfy particular members. Indeed the fact that the competence of the committees is not specified, and that submission of bills is a matter of convenience rather than of definite jurisdiction, makes less important the manner of recruitment. In France, however, the method of nominating members of commissions is extremely important.

Most legislative systems adhere to the theory that committees should be images of the whole assembly, that all the parties should be represented proportionately. Minorities will, of

model was the German *Seniorenkonvent,* which was an informal body of representatives of all the political groups. In France the committee was composed of the presidents of the permanent commissions and the presidents of the various political groups. It was called together by the President of the Chamber at intervals of a month, or more frequently. Ministers could attend. The committee was not very successful; its meetings were irregular and its resolutions were mere formalities. (*Report of the Select Committee on House of Commons* [*Procedure*], *Appendix,* pp. 244, 248.) The only sanction for the decisions of this committee was publication in the *Journal Officiel.* In 1915 it was decided that the committee should meet weekly; that the order of business it wished should be presented to the Chamber and could be modified only by a vote on the initiative of the Government or on a demand signed by fifty members.—Breton, *op. cit.,* p. 209. *Règlement de la Chambre des Députés,* Art. 94.

[1] See Luce, *op. cit.,* p. 121.

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course, be ridden over roughshod in the decisions that the committees take, but no attempt is made to keep them from participating in the *work* of the legislature in which they hold a mandate. The representation of minorities in committees may make the party battle in the whole house less bitter and prolonged; their criticisms may improve legislation, and documents presented and arguments heard *in camera* may be communicated to their party associates not members of the committee who might not be fully informed but for this minority channel. There are thus important reasons of convenience for the representation of all groups, and one of the serious faults in the old system of election in France by Bureaux was the haphazard character of this minority element.[1]

Chance played a dominant rôle in the choice of the commissions. It might well be that a major portion of the competent Deputies would be grouped in one Bureau while a second Bureau had no member who was interested in or informed on the particular subject for which a commission was to be appointed. Election of the commissions by the Bureaux made minorities run the risk of being grossly underrepresented. On the other hand, chance in the election of the Bureaux made it possible for minorities to be greatly overrepresented and to control the commission against the opinion of the Chamber.[2] This system, moreover, encouraged personal combinations and backscratching and in the case of the Budget Commission these evils were so serious that the Chamber had to provide that the selection of the Bureaux by lot should precede the nomination of the commission by not more than two hours.[3] In this period, it was hoped, combinations could not be effected. And when the practice began of sending proposals to commissions already in existence for cognate matters, the last justification of the

[1] See A. de la Berge, "Les Grands Comités parlementaires," *Revue des deux Mondes,* December 1, 1889.

[2] Election of the Budget Commission by the Bureaux was retained after it had been abandoned for the other commissions. The reason alleged was that it tended to give the majority a disproportionate advantage.—*Report of the Select Committee on House of Commons (Procedure), Appendix,* p. 228.

[3] Resolution of March 24, 1894.

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Bureaux system—the preliminary discussion—disappeared, a justification which, as has already been suggested, was more illusory than real.

The Bureaux now, while they still exist, have only a shadow of their former importance. At the beginning of each legislature the Chamber is divided into eleven Bureaux to verify the election returns. During the course of the legislature the Bureaux act only when the Chamber expressly decides upon the appointment of a special commission.[1] In the Senate the nine Bureaux are renewed at the beginning of each session and their principal function is to nominate commissions on Senate Accounts and Petitions.[2] As M. Breton says, "The Bureaux today disclose only a trace of vanished institutions, but a trace whose survival will not fail to astonish future commentators."[3]

Since 1910 in the Chamber and 1921 in the Senate the political groups[4] have been substituted for the Bureaux as the

[1] *Règlement de la Chambre des Députés,* Art. 17.

[2] *Règlement du Sénat,* Art. 17.

[3] Breton, *op. cit.,* p. 118.

[4] In France the political parties are not organized as in England and the United States, with central offices, local committees, party funds, and more or less definite policies. "*En réalité, il n'y a que deux grands partis en France, celui des intelligents et celui des imbéciles.*"—Henry Maret, *Le Parlement,* p. 100 (Paris, 1920). The only partial exception is the Socialist Party, which has some organization. The Chamber of Deputies "is composed of a number of small heterogeneous groups, bound by no tie of policy to each other, but rather passionately hostile on principle and detail." "The groups are classified, in the first place, according to where they sit. On the *Left* are the Liberals of all shades, from the Revolutionary Socialists to those members who think that reform is good sometimes. In the *Centre* are the groups that sway this way or that, according to circumstances: they have a distinct political belief and strive to achieve '*le juste milieu*'. On the *Right* are the Conservatives and the Monarchists, some of whom are still as irreconcilable to the republican form of government as are many of the Socialists to the present economic organization of the world except that in Russia. Further than this, the groups within the broad denomination of Left, Right, Centre, Left Centre, Extreme Right, and Left, etc., are subdivided, in policy, into smaller groups which have names which are supposed to denote their political differences. But few people can unravel the real difference, e. g., what is the apparent difference between 'Independent Group' and 'Group of Deputies not inscribed on any list of Groups'?"—Herman Finer, "The Group System in France," *Economica,* January, 1921. See also Soltau, *French Parties and Politics,* chapters v and vi (London, 1922). In his report of January 23, 1920, M. Barthélemy discussed the "*nuances, perceptibles il est vrai pour les initiés,*" between some of the groups.

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agencies for electing the commissions. In principle election takes place by the whole Chamber by *scrutin de liste*. Actually the Chamber simply ratifies nominations made by the various groups, the latter having been isolated and their personnel announced in the *Journal Officiel*.[1] The proportionate allocation of places on the commissions is determined and the nominations are made on the same day. Usually the division of seats is accomplished by agreement, but if there is competition, the group decides by secret ballot. The lists thus prepared are published in the *Journal Officiel* and if at the end of three days fifty Deputies have not protested, the personnel of the commissions is approved and they are organized. In the Senate the objections must be supported by twenty members to force consideration by the whole chamber.[2]

One of the principal arguments against this method of choice —a curious argument from the point of view of American or English politics—was that members of the commissions were made mandataries of the parties rather than of the country, and that the official recognition thus accorded the groups was dangerous. The original project presented to the Chamber used the word "*parti*";[3] "*groupe*" was considered less objectionable, and, indeed, the Chamber was careful to qualify the lists as purely "electoral". The single function of the groups was specified, and as M. Pierre says, "In all other acts of the parliamentary system they are considered non-existent."[4] This

[1] The electoral lists of January, 1922 divided the Chamber into the following groups: Groupe de l'Action républicaine et sociale (47); Groupe de l'Entente républ. démocratique (182); Groupe de la Gauche républ. démocratique (89); Groupe des Républicains de gauche (58); Groupe des Indépendants (27); Groupe républicain-socialiste (30); Groupe du Parti radical et rad.-socialiste (84); Groupe du Parti socialiste (53); Groupe communiste (12), and Membres n'appartenant à aucun groupe (21). In the Senate the division was as follows: Groupe de la Droite (14); Groupe de la Gauche démocr., rad. et radic.-socialiste (159); Groupe de la Gauche républicaine (36), and Groupe de l'Union républicaine (101).—*Annuaire général de la France et de l'Étranger, 1923,* pp. 10, 15.

[2] Breton, *op. cit.,* p. 128; *Règlement du Sénat,* Art. 19.

[3] Report of June 30, 1910.

[4] *Supplemént,* Sec. 739. Decisions of groups cannot be referred to in debate—they are bodies unknown to the Chamber except for the one purpose of nominating the commissions.—*Ibid.,* Sec. 908, and the debate in the Chamber, July 3, 1911.

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would seem to be the apotheosis of caution.[1] On the contrary, critics of the parliamentary régime in France agree that one of its chief needs is for some accommodation and cohesion between the political groups, and if their use in connection with the commissions contributes to this end, the advantage will be material, entirely apart from the fact that the method of recruiting the commissions now seems, in its broad outlines, an entirely logical one.[2]

[1] Provision is made for the representation of Deputies not belonging to a group. See above, p. 431, note. They are assembled in a special Bureau to choose their candidates. The modified rules of the Senate give the independent Senators the same privilege. Vacancies both in the Chamber and in the Senate are filled by the convocation of groups. Between elections of the commissions adhesions to and desertions from the groups are permitted, so that the numbers and proportions are sometimes changed.—Breton, *op. cit.*, p. 132.

[2] There seems to have been little or no discussion in France of having the commissions appointed by the presidents of the Chamber and the Senate, and if there had been any favorable sentiment the American experience would have been a deterrent factor. (Breton, *op. cit.*, p. 107. For a discussion of the situation in the House of Representatives, since the reforms of 1910, see Brown, *op. cit.*, p. 185 *et seq.*) Nor have the French chambers been inclined towards the English plan of nominating the grand committees by a Committee of Selection (*The Constitutional Year Book, 1921*, p. 169). One proposal in France was to allow members to nominate themselves for particular commissions and then let the Chamber elect by *scrutin de liste*. Election by *scrutin de liste*, however, without proportional representation, would have resulted in ignoring the minorities, and this was the case in 1919 when the Chamber of Deputies elected the Commission on the Treaty of Peace. (Breton, *op. cit.*, p. 121.) In 1898, in protest against election by the Bureaux, the Chamber adopted a resolution permitting Deputies who were not members of a grand commission to enroll themselves equally among the different bodies. On demand of M. Ribot, however, this resolution was sent to the Commission on Rules (of which he was president) and was never reported back. The scheme had the obvious disadvantage of allowing the political parties to pack particular commissions. (Breton, *op. cit.*, p. 105.) M. J.-L. Breton proposed that the Deputies be allowed to group themselves in Bureaux as they saw fit to elect members of the commissions. A group would have to contain at least fifteen members. Places would be allocated proportionally. This scheme, he thought, would avoid the necessity of recognizing the political groups of the Chamber. See *Proposition de Résolution tendant à modifier le Règlement de la Chambre des Députés*, pp. 35, 124. Previous to 1912 it was possible for a member of the House of Commons who was not interested in a particular bill to allow his name to be taken off the list of a grand committee and to substitute in his place another member of the same party. See *Report of the Select Committee on House of Commons (Procedure)*, Nos. 1543-1552.

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V

The anarchy which would seem to result from the number of committees in the House of Representatives and in the Senate is worse in theory than in actual fact since many of the committees are inactive. The real work of Congress is concentrated in the hands of a small number of bodies.[1] In France, however, the special commissions could only remain in existence through having additional laws sent to them, and the mere creation of a new special commission assumed that it would be active—that it would deal with the problem which caused its creation.[2] The result was legislative inefficiency. Moreover, as will appear later, the special commissions could exert but slight control over the administration. This was another factor in persuading Parliament to reduce their numbers, and, what was more important, to make them articulate with the executive departments. The purpose was administrative control as well as legislative efficiency.

At first (1902) the grand commissions of the Chamber numbered sixteen; in February, 1915, the number was increased to nineteen and in 1920 to twenty. The Senate, in 1920, had a Commission on Customs elected for three years and seven annual commissions. The revision of the rules in 1921 created twelve commissions, elected annually.[3] In the Chamber of Deputies until 1910 the membership of each commission was thirty-three; it is now forty-four. In the Senate the number has been increased also. It was originally eighteen (twenty-seven for Finance and Customs), it was raised to

[1] McCall, *The Business of Congress*, p. 47 (New York, 1911). The bulk of the work is done by from twelve to sixteen committees.

[2] In May, 1913, the Commission de la Réforme Judiciaire had published 45 reports and had 141 bills before it. The Commission des Économies had made one report and had no bills before it. The Commission de l'Armée had made 66 reports but still had 91 bills under consideration; the Commission des Travaux publics, 66 reports and 26 bills unconsidered; the Commission de l'Administration Générale, 8 reports and 64 bills not yet reported. This record, however, is for the permanent commissions.—*Report of the Select Committee on House of Commons (Procedure), Appendix*, p. 229.

[3] Breton, *op. cit.*, p. 246.

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twenty-seven in 1911, and now stands at thirty-six.[1] These figures show that the French commissions are much more unwieldy bodies than congressional committees, although, of course, they are not so numerous as the grand committees of the House of Commons which formerly had from sixty to eighty members and now have between forty and sixty.[2]

Much difficulty has been experienced in France in getting members to attend the sessions of the commissions. There has been the danger, also, that a few interested members would do the work and that then other members who had attended none of the sessions would come into the meeting and veto the report that the industrious members had agreed upon.[3] Conditions arising from the lack of party discipline in the Chamber are reflected within the commissions where the ministers have to fight hard in order to prevent decisions of which they disapprove. In the Chamber a majority of the members of a commission is necessary for a quorum;[4] in the Senate no number is specified. In both cases the rules require that a record of attendance be kept and there has been some experimentation with the publication of these lists on the theory that the possibility of public notice may be efficacious in reducing absences. In 1916 the Chamber ruled that a member absent from five consecutive meetings would be deemed to have resigned and would not be immediately eligible for reelection.[5] In practice this sanction is never applied, and the groups seem but little interested in having their representatives attend to their duties on the commissions.[6] Partly to ensure a wide dis-

[1] The Commission on the Army (of the Chamber) was increased during the war by forty members apportioned among the groups. The Senate put forty-five members on its Commission to deal with the Treaty of Peace.

[2] In the House of Representatives the figures vary greatly. The largest committee is that on appropriations—thirty-five; the other important committees have from nineteen to twenty-two members. In the Senate there are ten committees of fifteen members each, and seven of thirteen each. The remaining committees are smaller. See Luce, *op. cit.*, p. 126.

[3] See the report of M. Marin, January 21, 1916, No. 1699.

[4] *Règlement de la Chambre des Députés,* Art. 30, amended May 27, 1920.

[5] *Règlement,* Art. 12, amended May 27, 1920.

[6] Breton, *op. cit.*, p. 149.

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tribution of the places on the commissions and partly to encourage attendance, limitations are put on the number of commissions to which a member may belong. Before the reform in the Senate, one Senator was a member of seventeen commissions and president of three; five or six was the normal number. In the Chamber the rule limited the Deputy to three commissions, but it was not applied. Now the Deputy may be a member of no more than two of the grand commissions and the rule is more strictly enforced.[1] The Senate decided in 1911 that no Senator could be a member of more than one of the four commissions on Railroads, the Army, the Marine and Customs,[2] but now the rule is the same as in the Chamber.[3]

The French committee system is much more flexible than the American in allowing for a special *ad hoc* membership. Both in the Senate[4] and in the Chamber[5] the author of a bill has the right to be heard by the commission examining it. In the Senate members desiring to propose amendments will be heard by the commission. Any Deputy, moreover, may insert in the *Journal Officiel* a note objecting to a report made by a commission or requesting further information. The Commission must reply to this note either in the *Journal* or in a supplementary report. Deputies may present their views to the commission in writing, and the ministers interested in particular pieces of legislation meet with the commissions. These regulations, it is evident, make the corner in which legislation is prepared rather elastic. Entrance is not barred as in Congress, and there is an opportunity for the consideration of minor objections and amendments which, under the congressional system, must be aired on the floor of the house. There is, furthermore, some collaboration between the commissions and extra-parliamentary persons of importance.[6] This liaison

[1] *Règlement*, Art. 13, amended January 27, 1920.

[2] Breton, *op. cit.*, p. 152.

[3] *Règlement du Sénat*, Art. 20. For similar restrictions in Congress, see above, p. 423, note 5.

[4] Art. 27.

[5] Art. 35.

[6] Breton, *op. cit.*, p. 181.

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resembles but is different from committee hearings in the United States.[1] These hearings deserve far more attention than they have yet received. They are one of the most distinctive and important features of congressional government. Interests affected by proposed legislation have an opportunity to state their cases; issues are fought out in a much more informed and non-political way than in the chambers. Indeed, it may be said that the real discussion in Congress takes place in committee hearings.[2] They also provide a partial substitute for the questions and interpellations of the parliamentary system. To be sure, cabinet members appear before the committees primarily in connection with pending legislation. Inquiries into departmental affairs and administrative acts occur long after events. But, inadequate though this articulation between congressional committees and cabinet officials may be, it should be taken account of in any discussion of congressional *versus* parliamentary government from the standpoint of absence of interpellations. In France, extended as the liaison of the commissions is, articulating as they do with the ministerial departments, they are inferior to congressional committees as agencies of information and arenas where opposing views can be argued by representatives of the interests the Government proposes to regulate or aid. On the other hand, as will appear later, the superiority of the French commissions is unquestioned in respect of their control of the executive.[3]

[1] The increasing recourse to extra-parliamentary bodies for advice (e. g., the Sankey Commission in England; the U. S. Coal Commission) is an evidence of the growing complexity of legislative tasks and of the inability of the legislature to deal with them without expert assistance. Ministers prefer extra-parliamentary bodies to ones formed from the legislature. The former are more easily controlled and suppressed. For a discussion of these commissions in France, see Barthélemy, *Le Problème de la Compétence,* p. 100 *et seq.*

[2] See *American Political Science Review,* vol. XIV, p. 90, and vol. XV, p. 371.

[3] On commissions of inquiry in France, see Pierre, *Traité,* secs. 584 *et seq.*; Mourgue, *Les Enquêtes parlementaires* (Montpellier, 1903).

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VI

The controversy over the method of nominating, and the powers to be given, the French commissions, has been carried on in political pamphlets as well as in the official debates and reports. The commissions take their place along with *scrutin de liste*, *scrutin d'arrondissement*, the powers of the president, the centralized control over administrative authorities, and judicial review, as problems for interminable, but rather interesting and enlightening, discussion by publicists and journalists. The most important of these recent extra-parliamentary arguments is by a Deputy of the Extreme Left, M. Léon Blum, and is a bitter attack upon the present rules of the Chamber.[1]

The primary rule of French parliamentary procedure, M. Blum says, is that no law is taken directly before the chambers. They come to a decision in a report presented in the name of a commission which has given it a previous examination. Even for ministerial projects[2] the texts discussed are the texts of the commission which may have nothing in common with the text prepared by the minister. M. Blum maintains that the commission system is responsible for much of the disorder in parliamentary procedure and that it is necessary to return to the former system of special commissions. He thinks that from their mode of election they had a chance of containing Deputies who were particularly competent and that their majorities could represent the majority of the Chamber. Appointed for single tasks (even though others were later given them) they could get through their business with less delay than can the present commissions, which are overwhelmed by work. The permanent commissions, made up by the groups, by mutual accomodation, contain not the most competent men but those whom electoral interest or sometimes personal interest entangles closely in the questions that are under their jurisdiction.

[1] *Lettres sur la Réforme gouvernementale* (Paris, 1918). This work was published anonymously. An equally vigorous argument on the other side of the question is to be found in Maret, *Le Parlement*, p. 83 *et seq.* (Paris, 1920).

[2] It should be remembered that Government bills are called "*projets*" and that private member bills are called "*propositions*". No distinction has been made above in referring to proposed legislation before the commissions.—Sait, *op. cit.*, p. 212.

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Thus the Marine Commission includes the Deputies from the ports; the Commission on Mines the Deputies from the coal districts; the Commission on Public Works the Deputies who number among their electorates a particularly large proportion of railway servants. Every measure of general interest runs up against private or collective interests, and the minister, if he gives way to the requirements of the commission, has no assurance of rallying to his support a majority of the Chamber since, save in purely political matters, the commissions are not representative. Like all continuing institutions they contract habits and routines; they meet on fixed days; they do not willingly lend themselves to a fast pace; always in the simultaneous possession of many proposals, they make various measures advance together. Conscious of their importance, the commissions believe that they should not limit themselves to simple examinations. They inquire, they investigate, they debate, they remake the original text—largely because they meet weekly. A part of parliamentary slowness comes from this regularity of the commissions' work.

The reporters of the commissions are inclined to exaggerate their own importance. They know that successful political careers have been based on the report of a law and so each reporter keeps an eye out for such a fortunate opportunity and seizes upon it avidly when he thinks that he sees it. There is no modesty or proportion. The reporters pretend to do original work on the most trivial and trite questions. Instead of sensible explanations which are easily read and understood, they prepare interminable treatises whose very appearance is disheartening. This is the case even with the budget reporters. Each of them, on the occasion of the annual credits, sketches his program of administrative reforms and uses his place for a declaration of ministerial candidature.[1]

M. Blum proposes to do away with these abuses. He would limit the permanent commissions as far as possible (the Com-

[1] A ministerial crisis gives each Deputy the secret hope of becoming a minister or an undersecretary, or at least of figuring in a ministerial list. That would make him "*ministrable*"—an ambition of every Deputy. — Faguet, *op. cit.*, p. 83.

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missions on the Army and the Budget are the ones he would permit) and would reinstate the régime of special commissions. He would require the early deposit of reports and would attempt to insure their brevity. He would have also a verbal report which would introduce the discussion in outline for the Chamber. Indeed, he would be willing to go so far as to contest the principle of the whole commission system. Why, he asks, is there need for such an intermediary? Why all these steps? What useful purpose is served by commissions which demolish and reconstruct in order that the Chamber in its turn may demolish and reconstruct, permitting the Senate to change to original plan? A parliamentary régime is possible without commissions. Nothing of the sort exists in England.[1] The work of the commissions retards that of the assemblies and does not shorten the discussion by an hour.[2] Laws have a natural reporter, the minister, if it is a project of ministerial initiative, and the author, if it is a proposition of parliamentary initiative. Their explanation of reasons and intentions can be just as illuminating to the chambers as the report of a commission. If the debate shows that redrafting is necessary the minister or the author of the bill can undertake it. The Chamber, if it prefers, could confide this task to a special commission, a drafting commission made up so far as possible from the professional jurists of the Chamber, to which all texts would have to be submitted between the first debate and a second reading.[3] With a dual control—a central drafting service under the President of the Council and a revisionary control exercised by a commission of the Chamber—one could limit the output and improve the quality of legislative work.[4]

[1] M. Blum wrote before the English procedural changes of 1919. The grand committees in England, however, really lighten the work of the House. The cabinet if it desires can control the committees although in practice it is more lenient in accepting amendments than it is in the House.

[2] The fact should not be overlooked, however, that changes in the rules relating to the commissions have been accompanied by a material simplification of the rules of procedure in the Chamber.—Breton, *op. cit.*, chapters iii and vii.

[3] See Barthélemy, *op. cit.*, p. 95 *et seq.*

[4] *Lettres sur la Réforme gouvernementale,* pp. 243-255. In a preface to a

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The objections to the régime of special commissions which were set forth in the early part of this article make an effective answer to M. Blum's criticisms. The vices of the select commissions are greater than the vices of the permanent bodies. The difficulty in France is not so much the commissions as the lack of control which the ministry has over the Chamber. The legislature would never consent to an almost exclusively executive initiative as is the case in England, and so long as this is true commissions are inevitable. Objections in respect of delay, the length of reports, the self-assertiveness of reporters, are all objections to men who work the machinery rather than to the way in which the machinery is adjusted. The remedy for the evils M. Blum complains of is greater ministerial stability. Some executive autocracy may be the only remedy for legislative inefficiency.

VII

But all that has thus far been said of the work of the commissions covers but one phase of their work and indeed, of their *raison d'être*. The commissions have an intimate relation to the principle of ministerial responsibility[1] and they are one of the reasons why in France the ministry is so under the control of the Chamber, whereas their absence in England may contribute to the autocracy of the cabinet.[2] It is a commonplace of many analyses by Frenchmen of their own political institu-

second edition of the letters, the author says that criticisms have not shaken his conviction. He does, however, recognize the utility of the commissions as organs for controlling the executive.

[1] Thirty years ago M. Dupriez said that "the assemblies and above all their commissions have taken advantage of their rights and have fettered the action of the ministers under the pretence of supervising it and have meddled with the details of administration."—*Les Ministres d'Europe et d'Amerique,* vol. II, p. 434 (Paris, 1893). — Without the weapon of party discipline, M. Dupriez thought, the ministers could not guide the commissions (then special) and found in them auditors but little disposed to bow down before a rival and envied authority.—*Ibid.,* p. 407.

[2] "The Commissions are already stronger than the committees of the Senate and the House in America, and their leading members are wont to express surprise that there is not a similar effort in the British House of Commons to overbear the Ministry."—Bryce, *Modern Democracies,* vol. I, pp. 255-256.

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tions that the chambers administer as well as legislate.[1] Efficient and logical organization into commissions which articulate with the executive departments and which are able to exert control on the ministers is one of the principal factors in this parliamentary control of the administration. At all events, it was this aspect of the matter which so interested the House of Commons in 1917 (although the interest goes back to 1911). During the war, furthermore, impotent as the commissions were in some crucial matters, they secured a more effective legislative control of the executive than was the case in England or in the United States. But this aspect of the matter is important enough to warrant separate treatment.

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[1] "France is governed eight months by the Chamber and four months by a Ministry."—Émile Faguet, *Problèmes politiques*, p. 10 (Paris, 1914).

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THOMAS C. PLATT—POLITICAL MANAGER

THERE can be little question that Thomas Collier Platt was the established leader of the Republican organization in the state of New York during the late nineties. It is indisputable that he was in actual contact with all parts of the party hierarchy. Did a local politician want to know the program of the next state convention? He went to Platt. Did a factional leader wish to have the stamp of regularity put upon his organization? He laid his case before Platt. Did a local committeeman desire some money to run a primary or to conduct an election campaign; did he want to place one of his influential constituents in a state or federal office? He made his request to Platt. Did a state committeeman know someone who would make a good temporary chairman of the state convention, or did he know how the sentiment in his district was running upon such and such a candidate for governor? He told the good news to Platt. Did the chairman of the state committee want to know what policy to follow during the campaign, or was his committee pressed for funds? He went to Platt.[1] Did the editor of a party organ want to get the inside story of political events, did he have a hankering after public office, did he want his share of the public printing? He also got in touch with Platt.[2] Governmental officials as well as party workers were among those who consulted Platt. A legislator who wanted to get upon a certain committee, who wanted certain bills passed, or who wanted money for his campaign, made his needs and aspirations known to Platt. When a governor wanted to know the qualifications of certain men for certain administrative and judicial positions, or when he was interested in finding out in advance how certain parts of

[1] F. Mathews, "Mr. Platt as a Political 'Leader'", *Harper's Weekly,* Sept. 25, 1897, p. 960; New York *Nation,* March 18, 1897; New York *Tribune,* Feb. 18, 1895; May 5, 1896; Jan. 10, 1898.

[2] New York *Tribune,* Dec. 12, 1894.

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his annual message would be received, or when he was concerned about the confirmation of a certain appointment which he wished to make, he, the chief executive of the state, saw Platt.[1] Outside of the governmental and the party machinery, there came to see Platt representatives of various associations and societies who wanted to see the party adopt certain policies or pass certain laws, and directors of corporations who wanted to suppress certain adverse legislation, or to secure exemption from certain sorts of taxation, or to obtain certain valuable privileges, or to enjoy immunity from annoying enforcement of laws enacted to satisfy public clamor. The men who came to see Platt at the Fifth Avenue Hotel or at 49 Broadway did not always go away satisfied, but during the late nineties, at least, they kept on coming.[2]

Why is it that county and state committeemen, assemblymen, state senators, congressmen, state and federal administrative officers, governors, reformers, preachers, secretaries of business men's associations, prominent attorneys, and directors of large corporations who wanted to achieve certain ends involving the use of the governmental machinery—why is it that these men found it worth while to see Platt? What was there, first in Platt's personality, in his general behavior, that led men to think that he could "do things"?

1. *Personal Qualities*

Newspaper correspondents at Washington during McKinley's administration have said that Thomas C. Platt did not have a very prepossessing appearance as he hunched over his seat in the United States Senate chamber. He looked more like a New England college professor or a retired clergyman than like a seasoned political warrior.[3] Lemuel Ely Quigg, one of his faithful New York lieutenants, said that he was so little

[1] T. Roosevelt, *Autobiography,* chap. viii; C. M. Depew, *Orations,* vol. II, p. 197, vol. VI, p. 285.

[2] E. Root, *Addresses on Government and Citizenship,* p. 202, the famous speech on the "invisible government".

[3] J. M. Rogers, "Thomas Collier Platt, a Study of the Easy Boss," *Booklover's Mag.,* vol. 4, p. 331 (1904).

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magnetic that even the act of shaking hands he performed listlessly.[1] On the other hand, in dealing with persons important to his plans, he was usually courteous, quiet, conciliatory, diplomatic and careful to avoid giving offense.[2] Platt's personal habits and tastes were in conformance with the *mores* of his native village, Owego, a small backward country town situated in the southern part of Central New York. Theodore Roosevelt said that he could not find that Platt had "any tastes at all except for politics, and on rare occasions for a very dry theology wholly divorced from moral implications."[3]

To keep at the political game as long as Platt did required some enduring qualities. His friends said that he was energetic, industrious, punctual, unyielding, tenacious, patient, persistent and persevering. A hostile critic called him an immovable, inexorable, grinding, persistent machine.[4] He knew his political chess-board, the minutiae of New York politics. This knowledge, so essential to his ascendancy, could not be obtained without a great amount of patient work and watchful waiting. Following the famous "Me-Too" episode of 1881 in which he and Roscoe Conkling went down in disgraceful defeat, he put in sixteen years of hard, gruelling work in order to secure a reelection to the United States Senate.

Beside his patience, Platt had a trait which led him to consider that the retention of an enmity after the incident in which it had originated had passed and gone was scarcely worth his while. For instance, he did not always remain hostile to all the state legislators who voted against his return to the United States Senate in 1881. Fourteen years after the senatorial contest, he recommended the appointment of one of his old opponents to an important state position.[5] However, he was

[1] "Thomas Platt," *North Amer. Rev.*, vol. 191, p. 671 (1910).

[2] H. C. Hansbrough, *The Wreck*, p. 23; C. W. Thompson, *Party Leaders of the Time*, p. 97; A. D. White, *Autobiography*, vol. I, p. 232; T. Roosevelt, *Autobiography*, p. 284.

[3] *Op. cit.*, p. 274.

[4] W. A. White, "Platt," *McClure's Mag.*, vol. 18, p. 152 (Dec., 1901).

[5] C. R. Skinner, "A Memorable Senatorial Contest," *State Service*, vol. 4, p. 30 (New York, 1920).

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not precisely of a forgiving disposition. The letter which he wrote to President McKinley upon the proposed appointment of Whitelaw Reid as ambassador to Great Britain was extremely bitter and vindictive.[1] Platt never seemed to forget the vigorous attacks which Reid had made upon him in the editorial columns of the New York *Tribune* during the early and middle nineties.[2] William Allen White said that Platt was not charitable but "made the virtue of generosity out of his impotence."[3]

There were times when Platt showed a remarkable amount of courage and resolution. An editorial writer on the New York *Sun* said that Platt had shown himself "to be an indomitable, unyielding, and veritable tiger."[4] This writer probably had in mind Platt's "courageous" fight for the gold standard at the Republican National Convention in 1896. In the face of overwhelming odds, he had offered open opposition to the nomination of McKinley, a course of action which required some audacity as it involved the danger of falling outside the breastworks.

Platt's intellectual qualities have been described in various ways. He was said to have a keen mind, clear judgment, admirable powers of concentration, a good memory for names and faces, and to be alert, sane, shrewd and cunning. In party conferences, he was plausible, persuasive, resourceful.[5] As one of the party committeemen put it, "He did not dictate the policy of the party, but in the committee meetings he listened to everyone's opinion and if a better plan than his was presented he accepted it. If he thought that his plan was

[1] T. C. Platt, *Autobiography* (New York, 1910), p. 259 *et seq.*—letter of Aug. 14, 1878.

[2] The confirmation of Reid's appointment in 1905 was a sign of Platt's declining influence.

[3] *Loc. cit.*

[4] January 11, 1897.

[5] These phrases are found in the articles by Rogers, Quigg, Hansbrough, Thompson and W. A. White already cited. The views of these writers have been corroborated by personal interviews with men like ex-Senator Depew and ex-Governor Odell who worked with Platt.

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best, he had a way of putting it up to the committeemen so logically, tersely and clearly that they were soon convinced that he had the best plan and went along with him."[1] He had a genius for bringing together men of the most diverse ambitions and temperaments and conforming them to his own principal ends. In concrete situations, he was able to turn the talents of others to account. While he was not the sort of leader who determines principles and policies, he was a great wire-puller, a "diplomatic gumshoer", an intriguer, a skilful organizer, in short, a political manager.

Regarding Platt's ability as a political manager, Theodore Roosevelt said, "Senator Platt had the same inborn capacity for the kind of politics which he liked that many big Wall Street men have shown for not wholly dissimilar types of finance."[2] Platt devoted part of his talent for organization to the management of the United States Express Company, of which he was president from 1880 until the time of his death in 1910. Judged by the standards of his time, he was not a successful business man. His company did not pay high dividends or give high salaries until it came under the control of the rival express companies in 1901.[3] He was not versatile enough to win success in both politics and business.

Another criterion by which Platt's mental qualities may be judged is furnished in his writings. He could not make a speech, for one could hardly call the essays which he read from time to time "speeches". He was not a brilliant conversationalist although he could keep the reporters amused by telling odd stories and could now and then "scorch" his enemies with telling phrases.[4] During the seventies he did some political writing and throughout his life he was constantly writing letters, some of which show considerable force and

[1] Interview with the Hon. C. H. Betts, of Lyons, New York.

[2] *Op. cit.*, p. 277.

[3] The details of his management of this company came out in an unsuccessful suit which one of the stockholders brought against him in 1909. *Dudley v. Platt*, 118 New York Supp., 1058.

[4] Carl Schurz was "a lively German peddler of apples of discord and a retailer in vinegar, manufactured from the juice of sour apples".

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vigor. His *Autobiography* was not entirely the product of his own efforts.[1] The fact that he favored its production does not speak well for his judgment. The book is full of inaccuracies and it naïvely reveals a philosophy and outlook which many of his contemporaries were ready to condemn.

As to Platt's moral qualities, there is naturally a great difference of opinion. He clearly believed in the philosophy that the end justifies the means. The *Autobiography* gives many examples of the brand of opportunistic politics which he practiced.[2] He was called the "Easy Boss", in part because he never questioned the methods employed by his subordinates. These methods might be corrupt, mercenary, ruthless, but so long as they got results, he was satisfied. On the other hand, no critic has accused him of being dishonest in the sense of openly robbing the public treasury or appropriating campaign contributions to his own use.[3] It is true that his express company obtained a lucrative contract from the United States Treasury Department in 1889 but it does not appear that he charged any more for the service rendered than the other express companies had been charging for similar services to the government.[4] How should the "pulls" which he exercised in order to obtain government business for the "Platt family law firm" and the "Platt family bonding concern" be judged?[5] These pulls were not much different from the sort of influences which business men in general were accustomed to exercise in behalf of their sons.[6] Persons closely associated in the game of business and politics in New York State during the late nine-

[1] It was edited by Louis J. Lang, now on the staff of *The New York American*. Mr. Livingston Platt, Platt's grandson, informed the writer on September 27, 1922, that the *Autobiography* was not entirely satisfactory to the family.

[2] For an excellent example, see pp. 207-8.

[3] This claim is made by Roosevelt, *op. cit.*, p. 274; Thompson, *op. cit.*, p. 95; W. A. White and Quigg, *loc. cit.*

[4] A. W. Atwood, "The Great Express Monopoly", *Amer. Mag.*, vol. 71, p. 758 (1911).

[5] New York State Legislature, *Ass. Doc.*, 1900, Nos. 26-27, pp. 39, 451, 537, 4660 (Report of the "Mazet" Committee).

[6] *Report of the Legislative Life Insurance Investigating Committee*, 1906, pp. 12, 47. See also W. Lippmann, *Drift and Mastery*, chap. i.

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ties hesitated to throw stones at Platt. He showed really sincere devotion to the interests of his organization, he was staunchly loyal to all who trusted him and were his friends, and when he promised a lieutenant a bit of patronage or tacitly agreed to do what he could to further the interests of a campaign contributor, he kept his word.

It is difficult to ascertain just what sort of a man Platt was because as soon as he became of any importance, a group of myths grew up about him. To those who opposed him he became the symbol of an evil system, a modern Machiavelli, who grew out the "sinister alliance of corrupt business and corrupt politics". To those who made use of him, he was the personification of party loyalty, the head of an efficient organization, the manager of a business man's government. Platt, himself, came to believe myths of the latter sort. Even the unfavorable publicity which he received from certain metropolitan newspapers increased the public impression and his own impression that he was a man of importance and he could say, "One day everybody, friend and foe, began to call me 'boss'".[1] He was a "disinterested" politician, but he had great love for power and a passionate fondness for the game of politics. He had the sincere conviction that the Republican party of New York State could not get along without him. When broken in health and scarcely able to move about, he sought a reelection to the United States Senate in 1903. He then clung to his seat in that august body for the full six-year term in spite of the fact that he could hardly attend to the routine duties. He could not let go of his cachet of respectability.

Platt was among the great state bosses and senator managers of his day, but he did not have the intellectual acumen or the speaking ability of David Bennett Hill, his Democratic contemporary, nor did he possess the cleverness and pedantry of Mathew Stanley Quay, his colleague from Pennsylvania, nor did he have that aggressive driving power which characterized Marcus Alonzo Hanna, McKinley's manager, nor did he have

[1] Quigg, *loc. cit.*

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that ability to master all sorts of men possessed by Nelson W. Aldrich, the czar of the Senate. He was important because he lived in an era and in a section of the country that favored the development of a powerful boss system. He was the manager of the largest Republican state organization in the Union.

2. *Technique of Management*

Platt's ability to make use of the talents of others made up in large part for his own personal deficiencies. He never could have achieved distinction as a political manager if he had not gathered about him an able band of politicians to carry out his orders and to advise him on important matters. He could not make a speech himself but when there was need for some public speaking to be done he could rely upon the oratorical abilities of the mellifluent Depew or one of the many other spellbinders who belonged to the organization. Platt did not drink but there were several of his field marshals who felt very much at home in a bibulous and hilarious company. Platt did not have a great deal of physical energy, but his chief of staff, "Ben" Odell, was commanding, pushing and aggressive. Platt may not have understood all the arts of publicity, but Quigg was known as an "accelerator of public opinion".[1] Because of his confining work in New York and Washington, Platt could not visit the up-state regions very often, so he was practically compelled to delegate many important functions to his division chiefs. In Monroe County he was fortunate in being able to rely upon Committeeman Aldridge, who was noted for his loyalty to the party, his "generosity," his industry, and his great skill in organizing men.[2] William Barnes, the feudal lord of Albany, was unquestionably a man of great physical and mental force; big, brazen, florid, loud-talking, he looked like the bullying sort of "boss" that he was said to be.[3] Across the Hudson river, there was "Lou" Payn, with a political

[1] Public Service Commission, *Investigation of the Interborough-Metropolitan Co.*, 1907, p. 1485.

[2] C. E. Fitch, *Encyclopedia of Biography of New York*, N. Y., 1916.

[3] B. J. Hendrick, "Governor Hughes and the Albany Gang", *McClure's Mag.*, vol. 35, p. 507.

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experience about equal to Platt's and a "genius" for "handling things" in the state legislature. In the legislature itself, there was "Uncle" John Raines, who, according to Elihu Root, "would rather go to hell with the Republican party than dwell with others in the tents of righteousness".[1] In the lower house, there were Assemblymen Allds and Nixon, both of whom were huge men with loud voices, quite capable of overawing any novitiates who happened to venture to the State Capitol.

Platt understood the principle of the division of labor, so important under the complexity of modern society, and it is a tribute to his intellectual powers that he was able to put it into practice so effectively. The Sunday conferences which he held with the leaders from all over the state in the old Fifth Avenue Hotel were popularly known as Platt's Sunday School Class.

Why was it that among so many able political managers it was Platt "whose advice was taken quite largely, pretty largely, by the men of the political party with whom he was associated"?[2] Platt was a man of superior organizing ability and besides he was a man of superior knowledge. Because of his long training and experience, he was the natural heir of the corporate tradition which had grown up around Roscoe Conkling. In the fifties and sixties Platt had been a minor cog in the organization built up by that master strategist, Thurlow Weed. In the seventies he had blossomed out as Conkling's chief of staff after he had held every conceivable position in his party's committee hierarchy ranging from the chairmanship of his county committee to a place upon the state, the congressional and the national committees. During his long period of service, he had attended some sort of Republican convention nearly every year and since about 1870 there never had been a year when he was not "interested in the election of a Republican legislature". He knew every local politician of any impor-

[1] Lyons *Republican*, August 3, 1921, p. 24.

Barnes' definition of a leader before the "Bayne" Committee; see *Report of the Special Committee Appointed to Investigate the City and County of Albany*, 1912, p. 181.

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tance, he knew the dangers of factional quarrels, he knew all the party precedents that governed the conduct of primaries and conventions, he knew the strength of party custom, he knew the weaknesses of the sort of men who were attracted by the game of politics, and he knew how many voters there were who could be counted upon as regular. In the late eighties, Platt's wealth of political information must have been very impressive to the younger men like Aldridge, Barnes, Odell, Fassett and Woodruff, but what can be said about "Lou" Payn, Chauncey Depew, and some of the other old political war-horses? Why did not one of these, instead of Platt, become the manager-in-chief of the Republican organization in the state of New York? Depew was very "popular" and Payn was very "skilful". The only explanation seems to be that they were interested in other things. Depew, as President of the New York Central Railroad, was interested in making money for the Vanderbilts and in making a name for himself in the financial world.[1] Payn put in most of his time in the lobby of the legislature and in the stock exchange working for certain "undisclosed principals".[2] As Quigg put it, Platt was the man who had the "interest" and he combined this interest with the requisite knowledge.[3]

Platt's long experience had taught him that the first law of any political organization is self-preservation. He did not originate the methods which he used to preserve the Republican organization of his state. Beside the lessons which he learned from his former chief, Roscoe Conkling, and the technique that he had picked up as a member of Congress, sitting under Speaker James G. Blaine, he acquired many tricks of the trade and received many warning lessons from his political enemies. He was in New York City shortly after the downfall of the notorious Tweed. He studied the methods employed by Samuel J. Tilden, Daniel Manning and David B. Hill, all well known

[1] Depew, *My Memories of Eighty Years*, pp. 15, 227.

[2] New York State Legislature, *Sen. Doc.*, No. 56, 1895, pp. 16, 476 (Investigation of charges of corrupt negotiations brought by the New York "Press" against certain legislators).

[3] *Loc. cit.*

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managers of successful Democratic campaigns. When he came to the great metropolis, there he found much to admire in the ways of Kelly and Croker, his Tammany Hall contemporaries. Upon the national field, Platt availed hinself of the experience and wisdom of Mathew S. Quay, who in the neighboring State of Pennsylvania was solving problems of a sort very similar to those that arose in New York. As in business, it was difficult for any politician to keep a trade secret to himself.

Political patronage was the cement that Platt saw was commonly used to keep political organizations together, and he spent the greater part of his political career trying to control and protect its sources of supply. Men like Aldridge, Barnes, Dunn, Odell and Depew were loyal to the organization in part because they had been elevated by it to public office. As Superintendent of Public Works, Aldridge enjoyed a comfortable salary and considerable influence.[1] The same could be said for Dunn, as Railroad Commissioner. Depew undoubtedly enjoyed the distinction of being a United States Senator and Odell took pride in the honor that was attached to his governorship. Before these men were actually placed in public office, they had expectations. There were, of course, other reasons why the big men in the party remained loyal to Platt and his organization. Barnes admired Platt because he thought that the Senator was like his grandfather and then Barnes was grateful because in a close primary fight the faction which he led had been recognized as regular by the state committee.[2] Field-marshals who were loyal, could "get things done" at Albany and received pecuniary aid in hotly contested primary and election campaigns.[3] Finally, a loyal field-marshal had the satisfaction of wielding political power and the joy of winning an election in which he got out a larger vote than his fellow committeeman in a nearby district.

[1] *Report of the Commission appointed by Governor Black to investigate the canal improvement,* 1898, pp. 34, 54, 83, 137.

[2] New York *Sun,* Sept. 17, 1894.

[3] Investigation of the State Superintendent of Insurance, 1910, regarding legislation passed in 1901. See New York newspapers, March 20, 1910.

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Field-marshals who were disloyal or insubordinate were "disciplined". As Platt put it:

> A political organization should be conducted upon the simplest principles of business. Merit and devotion should be rewarded. Demerit and treachery should be condemned and examples made of those guilty of them. I have always maintained that a majority rather than a minority of an organization should control the party and its policy. . . .
>
> During an experience of over fifty years in politics, I have learned that obedience to instructions and gratitude are about as scarce as snow in the dog-days. In choosing my lieutenants and candidates, I invariably insisted upon the qualification that the man must know enough to "stand when hitched". The list of those who have ignored or defied this rule would fill a large volume. And that has made it necessary for me, as an organization chief, to reluctantly and sometimes mercilessly administer punishment to a subordinate. Only in this way can the discipline of any body of men be enforced.[1]

Reduced to other terms, the problem of discipline was, how could a local leader's "majority" be turned into a "minority"? Because of J. Sloat Fassett's refusal to withdraw from the pre-convention gubernatorial campaign of 1894, Platt "placed Colonel Archie E. Baxter in charge of the regular organization forces in the Chemung District, and for a number of years Fassett was an inconsequential factor in politics, where he had been a power." Because Jacob Worth, "boss" of the Kings County organization, supported Low for mayor of New York in 1897, "the State organization concluded to deputize Timothy L. Woodruff to 'cut the ground under Worth's feet'." And so on, Platt gives examples of other "Holier than Thou's" who were punished.[2] It seems that an unruly leader was disciplined by having the patronage, local, state and national, thrown against him and by having his primaries drenched with money in behalf of the new man who had been "deputized".[3] The state committee then recognized the faction which had been

[1] *Op. cit.*, pp. 501-3.

[2] *Op. cit.*, chap. xxv, passim.

[3] New York *Tribune*, December 2, 4, 1897.

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created to oppose him and it seems that this body did not always have that love for majority rule that Platt professed.[1] When Fassett saw the men that he had made turn against him, he probably agreed with Platt that gratitude in politics was "about as scarce as snow in dog-days". As Platt admitted, the system was "military".

When a sufficient number of the local leaders were loyal Platt did not have to worry much about state conventions. The delegates to these party assemblages were for the most part local office-holders or other individuals who had been "hand-picked" for the occasion by the state committeemen or some other local leader.[2] For many years the employees of the New York custom-house had been very influential in state conventions.[3] Needless to say reliable delegates could be found among those who had done some work upon the canal.[4] The reason why it was always easy for Platt to get the Albany delegates is indicated by the following statement, reputed to have been made by Committeeman Barnes in answer to a request made by a prominent citizen of Albany regarding a certain appointment:

> I don't want any person who wears a high hat and has his shoes blacked, and who could obtain pretty nearly what he wants. I want a candidate for this office who is down and out, on his uppers, and has fringed clothes, then I can hoist him into office and he will be mine.[5]

The preliminaries of the convention, the temporary officers, the platform, and the "slate" were all agreed upon in advance by Platt and his field-marshals in a "Sunday School" session at the Fifth Avenue Hotel. When the convention met, it only remained for the "will of the party" to be expressed upon the

[1] *Ibid.*, August 26, 27, 1896.

[2] Rochester *Herald*, September 30, 1898.

[3] *Nation*, May 5, 1892, vol. 54, p. 332.

[4] New York *Tribune*, September 28, 1896. Aldridge was the highest candidate for several ballots.

[5] *Barnes v. Roosevelt*, case on appeal, appellate division, 4th Department, New York Supreme Court, 1915, p. 173 (the evidence and testimony printed in four volumes).

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decisions of the leaders. Even if the delegates had not been for the most part of the "hand-picked" variety, there was little danger that the program of the few would be rejected, because the customs and traditions which governed the procedure of the conventions discouraged any assertion of independence. The state committee made up the temporary roll and thereby practically determined how the contests would be settled; it also recommended the appointment of the temporary chairman, the officer who made up the committees of the convention upon the basis of the suggestions made by the local organizations. Nothing could more anger Committeeman Barnes than the way Theodore Roosevelt smashed these time-honored and sacred traditions in the state convention of September, 1910.[1] In the late nineties, when Platt was at the height of his power, such a violation of party precedents would have been inconceivable.[2]

The principal function of state conventions during Platt's time was to arouse enthusiasm among the party workers. The way in which Platt acted during a convention showed that he had a good deal of understanding of crowd psychology. He always endeavored to make things run off smoothly and harmoniously so that the delegates would get the impression that the organization was being efficiently managed. In 1896 when Warner Miller, who had been ruthlessly ruled out by the state committee, was being howled down by a portion of the delegates, Platt rose in his seat and requested that Miller be given a chance to speak.[3] This show of fair play immediately won the admiration of the "boys". Usually, however, Platt remained silent and let his most popular "spell-binders" do their work. After the convention, there was a grand celebration of the coming success.

Platt carried with him to national conventions the same "little band of able politicians" that ran his state conventions

[1] *Barnes v. Roosevelt,* May 13, 1915, p. 1949. Barnes testified that Mr. Roosevelt, in appointing the Committee on Resolutions, did not accept, in every case, the man recommended by the delegation from the Congressional District, which had been the custom for many years.

[2] See New York newspapers, Sept. 19, 1894; Aug. 26, 1896; Sept. 28, 1898.

[3] New York *Tribune,* Aug. 26, 1898.

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for him. He also had the close cooperation of Mathew S. Quay and a few of the other manager-senators. His style of tactics in national conventions called for the raising of a big "rumpus", which in the nineties meant that he was dissatisfied with the way that the pre-convention campaign had been running and wanted to make it plain that he must be "propitiated". Since he controlled a portion of the election machinery which was very crucial in presidential campaigns, this sort of strategy was more successful than it appeared upon the surface. Thus in 1896, although the fifty-five votes that he held in line for Morton did not count for much, his actions in the convention led Mark Hanna to come around during the campaign.[1] In 1900, Platt's organization made a good deal of the way that Roosevelt had been "kicked up-stairs".[2]

The state legislature was so "organized" that Platt could control it through a clique of half a dozen men or so in each house. As in party conventions, he was greatly aided by the cult of party regularity. Legislators who "bolted" the caucus were marked for "discipline". William Barnes once said to Roosevelt:

> You know yourself, Mr. Roosevelt, the Senator (or Mr. Platt) does not bully. He does not have to. That the man who went into politics and wanted to go ahead found out for himself that he could not get ahead if he didn't do what the organization, what the leader, what the boss wished. That it was not necessary to give orders; it was quite sufficient to have it understood by example that the man that stood by the organization benefited because the organization stood by him and that if he did not stand by the organization he got punished and that the ordinary man found this out for himself. If he declined to learn, then he got dropped; he failed to make a record, he could not satisfy his constituents, that his bills were not passed or his work failed in other ways, and that he did not get a renomination and he was eliminated.[3]

[1] H. Croly, *Marcus Alonzo Hanna,* pp. 192-204; New York *Tribune,* June 13, 1896.

[2] New York *Nation,* June 28, 1900; New York *Tribune,* June 28, 1900; Platt, *op. cit.,* p. 397.

[3] *Barnes v. Roosevelt,* p. 1316.

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The Allds investigation of 1910 showed that in Platt's time the assembly was controlled autocratically by a few men, who in themselves constituted a "corrupt clique for the selling of legislation".[1] Speaker Nixon appointed all the committees and was himself the head of the rules committee which took complete charge of all legislation during the last weeks of every session. His chief aid was Floor Leader Allds. These two men took orders, of course, from Platt and his Sunday School, for there were state committeemen who "wanted things done" at Albany, but they also levied blackmail on the side.[2] When an election came around, the organization stood by them by contributing to their campaign expenses. The corrupt practices investigation of 1910–11 showed that this system had also crept into the state senate.[3] If the organization leaders themselves threatened to revolt, Platt drove them into line by threatening wholesale bribery prosecutions. As in party conventions, he ruled by appealing to custom, gratitude and fear.

At Washington Platt was never a great power. To be sure the large Republican delegation from New York in the House of Representatives received ample recognition in the allotment of committees and in 1899 one of them became the floor leader of the House.[4] Platt and Depew were in the United States Senate by virtue of the efficient organization which had been set up in the state legislature. Yet, New York congressmen had to engage in log-rolling and struggle for their patronage rights pretty much the same as other congressmen. They were part of a national system. During his "Easy-Boss-ship" as well as at the time of the "Me-Too" episode, Platt's chief concern at Washington was the strength of the time-honored custom of "senatorial courtesy" and a President who failed to consult him upon New York matters might well consider the next presidential campaign.

"Senatorial courtesy" at Albany meant that the governor

[1] *Sen. Doc.*, 1910, No. 28, pp. 98, 335.

[2] *Ibid.*, p. 705 *et seq.*

[3] *Assembly Doc.*, 1911, No. 30, vol. I, pp. 9, 556, 560.

[4] Sereno E. Payne, chairman of the Committee on Ways and Means.

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should consult Manager Platt, or as it was euphemistically put, the "organization", before any important appointment or gubernatorial message was sent to the legislative chambers for action. Governor Roosevelt paid his respects to this custom when he authorized his secretary to send a letter to the state committeemen welcoming suggestions regarding appointments and other matters,[1] when he had "breakfast conferences" with Platt regarding the more important appointments,[2] and when he sent Platt an advance copy of the message which he planned to send to the legislature.[3] One of the causes of Committeeman Barnes' bitter hostility to Governor Hughes was the latter's failure to observe party custom in the matter of appointments.

It was much harder to "discipline" a governor when he became unruly than it was to discipline any other state officer. The governor was a conspicuous figure; he worked in the open, he had important powers, and in case Platt affronted him, he could "fire back" at the organization by a skilful use of the patronage, the special message or the veto power.[4] On the other hand, Platt was not without his weapons in dealing with the governor. If a governor desired to make a record by the passage of some laws "demanded by the people" it was prudent to see Platt, who was for some purposes a "majority of the Legislature".[5] If he wished the state senate to confirm some appointment which would raise the tone of the administration, he must see Platt, who had an "iron-clad" arrangement with that body.[6] If he cared anything about his political future, Platt was a man to be reckoned with. There is no doubt that Platt played upon the ambitions of every governor with whom he had "relations". Governor Morton had

[1] New York *Tribune*, January 18, 1899; W. J. Youngs, *Administration of Theodore Roosevelt as Governor* (manuscript), p. 374.

[2] New York *Tribune*, Dec. 11, 1898; Roosevelt, *op. cit.*, p. 288; Platt, *op. cit.*, p. 374.

[3] *Barnes v. Roosevelt*, pp. 2472, 2463.

[4] Platt, *op. cit.*, pp. 307, 309; New York *Tribune*, Feb. 1, May 5, 1898; April 29, 1899; Roosevelt, *op. cit.*, p. 302.

[5] Roosevelt, *op. cit.*, p. 287.

[6] *Barnes v. Roosevelt*, p. 1308.

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presidential aspirations,[1] Governor Black wanted a renomination,[2] Governor Roosevelt wanted a renomination or something else, he did not know what,[3] and Governor Odell wanted to make a national reputation. But Platt could not carry his game too far, because the people did not want a governor who was subservient.

The appeals that Platt made for campaign funds to those "who were abundantly able to give" were of a very obvious sort. In fact they were so clear that there was no need for spoken or written words between them. Platt learned the system by carefully observing the way the Democratic organization in the state raised money in the early nineties. There were some corporations, like the public utility companies and the fiduciary institutions, which were constantly in touch with the legislative and administrative branches of the state government. Platt had a "mania for political organization"; the directors of these corporations had the "money craze". The latter found that they could make money by obtaining certain exemptions and privileges from the various governmental agencies which were charged with the protection of the interests of the stockholders and the public. They went to Platt, they made huge contributions to the Republican campaign funds, and Platt supported them "naturally in anything that they thought was right and that they were for" through his "being connected with the state committee".[4] What was more "naturally right" than that they should make money? Platt took their cash contributions and distributed them among local leaders and legislators who needed help around election time. These legislators were then "under moral obligations not to attack the interests supporting them" and the administrative officers also felt bound by the same rule. It was a "matter of business not of politics" which led many corporation directors to see Platt.[5]

[1] Platt, *op. cit.*, p. 308.

[2] *Barnes v. Roosevelt*, p. 2354.

[3] Roosevelt, *op. cit.* (edition of 1919), p. 316.

[4] Legislative Life Insurance Investigation, *Testimony*, pp. 3396-7.

[5] Corrupt Practices Investigation, 1911, *loc. cit.*, pp. 540, 602.

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With a loyal organization behind him and with plenty of money, Platt was well equipped during the late nineties to battle with the enemy for votes upon election day. In a sense he was constantly waging an election campaign. Throughout the year he endeavored to create an attitude in the voters' minds which was favorable to his organization. He did this by liberally subsidizing newspaper editors and proprietors with offices, public printing, government advertising, and other favors.[1] The up-state Republican newspapers, the city dailies as well as the country weeklies, kept up a steady stream of party propaganda which had its effect. The great mass of up-state voters, many of whom were born and raised in the atmosphere of Republicanism, were given to believe that there was nothing wrong with the Grand Old Party. As a primary day or election day drew near, Platt speeded up the work of his literary bureau. Country editors were given "boiler-plate" editorials or were paid outright to circularize their paper free to the voters.[2] This and the other activities of Platt and his organization around election time centered upon the building-up of that narrow margin which was necessary for success. Platt could count upon a huge block of loyal Republican voters in the up-state; it was the stragglers who caused him trouble. To gather them in he selected candidates who represented different regional, religious, racial, social and economic groups and his party workers utilized all the well-known devices to interest these groups in the candidates and the campaign. On election day the heavy power of the money bag was brought into play: thousands of party workers were hired for the day; thousands of farmers were paid for their time and the use of their teams in bringing the voters to the polls; and there were thousands who did not bother with subterfuges in getting their "pay".[3]

[1] Report of "Bayne" Committee, 1912, p. 119; *Barnes v. Roosevelt,* p. 335; New York *Tribune,* Dec. 12, 1894; New York *Nation,* Aug. 11, 1898; G. Myers, "'Boss' Platt", *Nat. Rev.,* vol. 38, p. 219 (1901).

[2] Interview of the writer with Hon. C. H. Betts.

[3] R. H. Fuller, *Government by the People,* pp. 141, 153-4, 178; J. G. Speed, "Purchase of Votes", *Harper's Weekly,* vol. 49, p. 422; New York *Nation,* Nov. 14, 1901; New York *Tribune,* Mar. 8, 1898.

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The mechanical elements of Platt's autocratic power were: first, control over the nomination and the election machinery through his cooperation with the state committee; second, control over the state legislature through his relations with the oligarchy ruling that body; third, control over the patronage through whatever influence he had with the president, the governor, and the federal, state and local administrative officers; fourth, his control over the party campaign funds through the relations which he maintained with the directors of certain corporations who were high in financial circles; and lastly, control over the minds of the voters through his intimate relations with party editors and men of influence in the business and political worlds. By checking off these levers one against the other he was able to play upon the habits, customs, traditions, ambitions, rivalries, gratitudes, greeds and fears of those with whom he had dealings. He was a fit leader for a competitive organization like the Republican machine in New York State during the late nineties.

3. *The Nature and Limits of His Power*

Even at the height of his political career, Platt's power was by no means as arbitrary as it seemed. He could control the affairs of government only within certain limits and when he went beyond these limits, he became as helpless as an ordinary citizen. The organization which he directed was a delicate mechanism and the parts were so interrelated that the slightest disarrangement in one part was liable to throw out the others. Only as long as he fitted into the social and economic conditions which characterized his domain, did he remain the Easy Boss.

One of the conditions of Platt's ascendency was the existence of a group of political managers scattered throughout the state who came more or less as a matter of habit to look to him for advice. Some of the local leaders who failed to listen to his advice could be disciplined, but there were others so firmly entrenched in their local situations that he realized it would be useless for him to try to root them out. Successful local chieftains like Barnes or Aldridge had to be reckoned

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with at all times.[1] Their contacts with local business men, local labor leaders, and local societies having political influence were such that they could not easily be severed by one working from the outside. When a state boss failed to sense the majority opinion of his field-marshals, his own position was endangered.

Beyond the inner group of party managers, stood the great body of active party workers whose loyalty to the organization depended in part upon the existence of a large number of public offices available for their use. Platt did not create the thousands of elective and appointive positions in the government services which came to be looked upon as the spoils of party victory.[2] Indirectly he had been the cause of a movement which made the sources of patronage somewhat inaccessible for party purposes. His resignation from the United States Senate with Conkling in 1881 in order to vindicate the spoils principle not only gave him the title, "Me-Too", but it also gave an impetus to Civil Service Reform in both the state and the nation. When he began to regain power in the nineties, he felt the pinch of this reform. Theodore Roosevelt as one of President Harrison's civil service commissioners lessened the amount of federal patronage available and the new state constitution of 1894 protected the merit system in the state civil service. The one saving element in the situation from the point of view of the organization was the great increase in the number of executive appointments due to the expansion of the social and economic functions of the government. The organization was recognized in most of the appointments made by Governors Morton and Black, but Governor Roosevelt staged several dramatic fights before certain important state positions were filled.[3] The bipartisan

[1] In his *Autobiography* (pp. 510, 514) Platt classifies these men as "field marshals who were faithful".

[2] There were over 20,000 local elective officers. There is no way of estimating the number of local employees. In 1900 there were over 8,000 state employees and probably over 15,000 federal employees.

[3] J. L. Steffens, "Governor Roosevelt—as an Experiment", *McClure's Mag.*, vol. 15, p. 110 (1900).

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system which had been established in the cities of the state for the purpose of dividing local spoils between the two party machines was threatened by the phenomenal growth of such independent organizations as the Citizens' Union of New York City.[1] While in the main President McKinley was "kind hearted", even he sent in some names which were not pleasing to the senior senator from New York. When Odell became governor and Roosevelt found himself in the presidency, Platt's friends grew less numerous in the state and federal services and his candidates were defeated in the state conventions of 1902 and 1904. The organization workers who conducted the primary and election campaigns had little use for the political manager who could not control the distribution of the spoils.

Even when Platt did have the support of the organization workers, he was not always sure of victory at the polls. The chief function of the organization workers on election day was the delivery of the organization vote. In other words, they saw that the confirmed Republican voters came to the polls and voted. Considering the firm allegiance of the great mass of up-state farmers and shopkeepers to the Republican tradition, this was an important function. There were hundreds of thousands of voters who, because of their early training, their anti-urban prejudices, or their business connections, could be counted upon to vote the Republican ticket if they voted at all. These voters constituted perhaps the most important basis of Platt's political power. Their favored position with respect to the election of the state legislature insured Republican control of that body.[2] On the other hand, in state and national elections they were confronted with an equally numerous and equally immovable block of Democratic voters located for the most part in New York City. In such elections the Republican organization vote was largely offset by the machine vote of the Democrats and the result was likely to turn upon the attitude

[1] J. Bryce, "The Mayoralty Election in New York", *Contemp. Rev.*, vol. 72, p. 759.

[2] For the limitation of New York City's representation in the state legislature, see Art. III, sec. 4 of the Constitution of 1894.

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of the independent voters. The overwhelming Republican victories of the middle nineties were brought about by those who broke away from the old party traditions.[1] After 1896 the Republican leaders had an up-hill fight in state-wide elections that were not overshadowed by national issues. The decline of the rural population and the rapid growth of the population of New York City made inroads into the Republican strength. In order to limit the Democratic vote, the Republican managers secured the adoption of drastic ballot-reform laws for the great metropolis but in order to increase their own vote they were compelled more and more to make appeals to the independent voters.

On several different occasions, Platt and his Sunday School scholars showed a disposition to recognize the limitations of their position by bidding for the independent vote. Although they had almost absolute control over the party nominating machinery, they felt constrained to limit their choice of candidates to those who were most likely to develop party strength and the least likely to cause defections upon election day. Even in 1896, when Republican success looked certain because of the disruption of the Democratic party over the monetary question, the Republican leaders did not dare nominate Platt or Aldridge for governor.[2] The nomination of Roosevelt for governor two years later was perhaps the most direct bid that the Republican organization made for the independent vote during the period of Platt's leadership. Platt knew that the man who had rigorously enforced the drastic liquor law and who had been a champion of civil service reform would not be a subservient governor. In order to make use of the popularity of this war hero with the city independents and native American, Protestant, up-state Republicans, he was willing to take a chance on his ability to adjust the needs of his organization to the whims of a reform governor. This was a hazardous decision for Platt to make and perhaps the most creditable in his career.

[1] The high-handed methods of the Democratic machine leaders in Buffalo, Troy and New York alienated many of their supporters.

[2] Platt, *op. cit.*, pp. 329-330; D. Alexander, *Four Famous New Yorkers*, p. 257.

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In legislative matters also the organization was compelled to consider the political influence of the independents. In the face of the governor's veto, the opposition of the press and the hostility of several civic organizations, Platt was unable to force through the legislature two of his favorite measures, an anti-caricature bill and a metropolitan police bill. The passage of the Raines Liquor Tax Bill was looked upon as one of the great accomplishments of Platt and his organization. However, the bill passed largely because more powerful interest groups were marshaled in its favor than were marshaled against it. A majority of the organization men favored the bill because of its patronage features and the up-state farmers were pleased with the revenue-raising provisions because they rested more heavily upon the urban than upon the rural communities; but it is also true that the moralists, the preachers, the temperance men and the prohibitionists favored the bill because it lessened the number of saloons and weakened the saloon power of Tammany Hall.[1] In like fashion the Greater New York Bill was passed because a sufficient number of people were interested in either the patronage possibilities, the commercial opportunities, or the civic potentialities that would be created by the formation of the greater city to get behind the bill and override those who were opposed.[2] When Governor Roosevelt aroused the farmers, the market gardeners, the mechanics and tradesmen having small holdings, and the real estate associations to the full realization of the fact that they were paying an improper and excessive portion of the general taxes, Platt and his legislative cabal did not dare block the passage of the Franchise Tax Law.[3] Much social and economic legislation such as was opposed by the great corporations also found its way into the statute books. The growing power of the labor unions, the increasing number of civic associations, the development of reform societies, were factors which the Republican

[1] New York *Tribune,* Feb. 27, 28, March 3, 11, and 13, 1896; *Harper's Weekly,* March 7, 1896.

[2] E. L. Godkin, *Unforeseen Tendencies of Democracy,* p. 167, citing a history of the bill by J. B. Bishop.

[3] New York *Tribune,* April 19, 1899.

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organization could not afford to ignore. In 1905 when the Old Guard attempted to disregard some of these factors, it suffered severe setbacks.

During the McKinley administration Platt was recognized as a political leader because, consciously or unconsciously, he realized the limitations of his position and did not attempt to go too far beyond those limitations. He did not try to initiate any great policies but was content to act as the agent for any social or economic group which was powerful enough to make itself felt in a political way. When the interests of several powerful groups conflicted, he brought about the best sort of a compromise that he could. The financiers or capitalists, the most highly organized business group, got in the main what they wanted from Platt, but not always, because Platt sometimes saw that their demands, if carried out, would alienate a sufficient number of voters to endanger his position. Several financiers were disappointed when the Franchise Tax Law was passed. The directors of the utility corporations were opposed to the law, but Platt felt that he could not openly adopt their view without undermining his political power. That his power as a political manager was something worth conserving seemed to be the opinion of the most influential capitalists. At least they were willing to trust him with the enormous campaign contributions that were so necessary to the smooth working of the Republican organization. The New York State Republican organization rendered valuable service to the financiers in advocating the gold standard in 1896 and in shelving the objectionable Roosevelt in the vice-presidency in 1900. These general services as well as many other less conspicuous ones deserved their reward. The insurance investigation showed that the directors of the great corporations did not regard it as immoral for them to use the corporate funds to help out the Republican party.[1] The period of the late nineties was one of great lavishness in all directions. The rapidly growing population of the Empire State created an ever-growing need for better means of transportation, communication and marketing

[1] *Report*, pp. 15, 45, 79, 239.

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and for newer and more specialized types of work. Great investments of capital were required to meet these needs. The investment bankers therefore occupied a stragetic position and they made the best of the traditional philosophy that the public interest was promoted by stimulating individual economic activity. As long as this situation continued, Platt could rely upon huge campaign funds provided that his charges for favors were not too high and that the services which he rendered were efficient. He was himself wholly in sympathy with the view which postulated the "right of a man to run his own business in his own way, with due respect of course to the Ten Commandments and the Penal Code."[1] The financiers were rather inclined during the late nineties to take a very narrow view as to what should go into the Penal Code. At best it was difficult for them to determine or realize how their activities were injuring others. The insurance investigation lifted the fog somewhat. They then sensed the anger of the policy-holders and stock-holders who felt that they had been robbed. The public which had formerly admired, respected and idolized the successful business man now purchased eagerly the magazines and papers which pictured the great millionaires as social malefactors. The growing scarcity of natural and artificial opportunities tended to increase the discontent that was felt with the traditional alliance between big business and politics.

In the election of 1896, the voters of the United States had a more clearly defined issue before them than they had had in thirty-six years, but as in other elections the political managers endeavored to unite the emotions of conflicting factions by the clever use of symbols. In New York State for various reasons, Platt's candidates, McKinley's personality, and the Republican policies and traditions appeared more attractive to a majority of the voters than did the Hill-Croker candidates, Bryan's policies and the Democratic traditions. The momentum of this election helped to continue Platt's organization in power for fourteen years. During this time the monetary question

[1] Roosevelt, *op. cit.*, pp. 299-300, citing Senator Platt's letter on the Franchise Tax Bill.

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ceased to be a live issue and the seeds of corruption began to grow in the Republican organization.[1] Until the extent of this corruption was revealed by several investigations, the up-state voters were fairly complaisant. They had no way of knowing what was going on within the government. As long as their own interests were not directly affected, they were indifferent to political issues and events. The upward trend of the business cycle tended to create a feeling of satisfaction with existing arrangements among all classes. While the farmers did not gain a proportionate share of this prosperity, the prices of their products did rise and they could boast of a semblance of good times. In such an era who was willing to keep alert day and night in order to hold the many-headed government to account for the charges committed to it? There was Platt busily engaged behind the scenes doing his part to bring about some sort of continuity out of a disintegrated administrative system, to pick out the least objectionable of the office-seekers, and to secure the cooperation of the governor and a two-chambered legislature made up of two hundred localists. Until new leaders came and tried to do some of these things openly, the Easy Boss was able to cling to his place as an agent of the propertied classes, a retailer of franchises, government contracts and special legislation.[2]

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[1] For the extent of this tendency in the rural up-state counties, see *Annual Report of the Comptroller of the State of New York,* 1909, section entitled "Municipal Accounts".

[2] A forthcoming volume by the author of this article will deal in more detail with the relations between *Platt and Roosevelt.*

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COERCION AND DISTRIBUTION IN A SUPPOSEDLY NON-COERCIVE STATE

"And while the House of Peers withholds its legislative hand,
And noble statesmen do not itch
To interfere with matters which
They cannot understand,
As bright will shine Great Britain's rays
As in King George's glorious days."

—From W. S. Gilbert's *Iolanthe.*

THE so-called individualist would expand this philosophy to include all statesmen, whether noble or not, and to include all economic matters as among those which they cannot understand. The practical function of economic theory is merely to prove to statesmen the wisdom of leaving such matters alone, not to aid them in the process of interfering. And in foreign as well as in domestic affairs, they should make no effort to control the natural working of economic events. This would seem to be the general view of Professor Thomas Nixon Carver,[1] although he likewise speaks frequently as a nationalist. But a careful scrutiny will, it is thought, reveal a fallacy in this view, and will demonstrate that the systems advocated by professed upholders of *laissez-faire* are in reality permeated with coercive restrictions of individual freedom, and with restrictions, moreover, out of conformity with any formula of "equal opportunity" or of "preserving the equal rights of others." Some sort of coercive restriction of individuals, it is believed, is absolutely unavoidable, and cannot be made to conform to any Spencerian formula. Since coercive restrictions are bound to affect the distribution of income and the direction of economic activities, and are bound to affect the economic interests of persons living in foreign parts, statesmen cannot avoid interfering with economic matters, both in domestic and in foreign affairs. There is accordingly a need for the development of economic and legal theory to guide them in the process.

To proceed to an examination of Professor Carver's system. His "individualism" is not entirely orthodox, for he is conscious of a certain amount of restriction of liberty in the scheme he advocates.

[1] *Principles of National Economy.* By Thomas Nixon Carver. New York, Ginn and Company, 1921.—vi, 773 pp.

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Indeed his statement on page 747 is altogether too pragmatic to please the doctrinaire disciple of Spencer. In each proposed case of governmental interference, he thinks, the question is to be asked, "Are the evils to be repressed greater than those that accompany the work of repression, and are the evils to be removed by regulation greater than those that accompany the work of regulation? The method of procedure must be to consider, appraise, and compare the evils on both sides." While this test might be accepted by the so-called paternalist, as well as by the so-called individualist, Mr. Carver's final conclusions as to governmental activity do not differ materially from those of the more orthodox of the latter. The government, he thinks, should exercise sufficient constraint to prevent destruction and deception, to standardize measures, qualities and coins, to enforce contracts, to conduct certain enterprises (like lighthouses) which cannot well be carried on otherwise, to regulate monopoly prices and to control the feeble-minded and the otherwise incompetent in their own interest. It should not coerce people to work, nor should it, with rare exceptions, undertake to direct the channels into which industry should flow. It should, however, prevent any private person or group from exercising any compulsion. The government must also impose taxes; it should restrict immigration and furnish educational opportunities. Such a scheme has the appearance of exposing individuals to but little coercion at the hands of the government and to none at all at the hands of other individuals or groups. Yet it does in fact expose them to coercion at the hands of both, or at least to a kind of influence indistinguishable in its effects from coercion. This will shortly appear more clearly, it is hoped. Meanwhile, let it be kept in mind that to call an act coercive is not by any means to condemn it. It is because the word "coercion" frequently seems to carry with it the stigma of impropriety, that the coercive character of many innocent acts is so frequently denied.

What is the government doing when it "protects a property right"? Passively, it is abstaining from interference with the owner when he deals with the thing owned; actively, it is forcing the non-owner to desist from handling it, unless the owner consents. Yet Mr. Carver would have it that the government is merely preventing the non-owner from using force against the owner (pp. 104–5 and 106). This explanation is obviously at variance with the facts—for the non-owner is forbidden to handle the owner's property even where his handling of it involves no violence or force whatever. Any lawyer could have told him that the right of property is much more extensive than the mere

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right to protection against forcible dispossession. In protecting property the government is doing something quite apart from merely keeping the peace. It is exerting coercion wherever that is necessary to protect each owner, not merely from violence, but also from peaceful infringement of his sole right to enjoy the thing owned.

That, however, is not the most significant aspect of present-day coercion in connection with property. The owner can remove the legal duty under which the non-owner labors with respect to the owner's property. He can remove it, or keep it in force, at his discretion. To keep it in force may or may not have unpleasant consequences to the non-owner—consequences which spring from the law's creation of legal duty. To avoid these consequences, the non-owner may be willing to obey the will of the owner, provided that the obedience is not in itself more unpleasant than the consequences to be avoided. Such obedience may take the trivial form of paying five cents for legal permission to eat a particular bag of peanuts, or it may take the more significant form of working for the owner at disagreeable toil for a slight wage. In either case the conduct is motivated, not by any desire to do the act in question, but by a desire to escape a more disagreeable alternative. In the peanut case, the consequence of abstaining from a particular bag of peanuts would be, either to go without such nutriment altogether for the time being, or to conform to the terms of some other owner. Presumably at least one of these consequences would be as bad as the loss of the five cents, or the purchaser would not buy; but one of them, at least, would be no worse, or the owner would be able to compel payment of more. In the case of the labor, what would be the consequence of refusal to comply with the owner's terms? It would be either absence of wages, or obedience to the terms of some other employer. If the worker has no money of his own, the threat of any particular employer to withhold any particular amount of money would be effective in securing the worker's obedience in proportion to the difficulty with which other employers can be induced to furnish a "job". If the non-owner works for anyone, it is for the purpose of warding off the threat of at least one owner of money to withhold that money from him (with the help of the law). Suppose, now, the worker were to refuse to yield to the coercion of any employer, but were to choose instead to remain under the legal duty to abstain from the use of any of the money which anyone owns. He must eat. While there is no law against eating in the abstract, there is a law which forbids him to eat any of the food which actually exists in the community—and that law is the law of property. It can

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be lifted as to any specific food at the discretion of its owner, but if the owners unanimously refuse to lift the prohibition, the non-owner will starve unless he can himself produce food. And there is every likelihood that the owners will be unanimous in refusing, if he has no money. There is no law to compel them to part with their food for nothing. Unless, then, the non-owner can produce his own food, the law compels him to starve if he has no wages, and compels him to go without wages unless he obeys the behests of some employer. It is the law that coerces him into wage-work under penalty of starvation —unless he can produce food. Can he? Here again there is no law to prevent the production of food in the abstract; but in every settled country there is a law which forbids him to cultivate any particular piece of ground unless he happens to be an owner. This again is the law of property. And this again will not be likely to be lifted unless he already has money. That way of escape from the law-made dilemma of starvation or obedience is closed to him. It may seem that one way of escape has been overlooked—the acquisition of money in other ways than by wage-work. Can he not "make money" by selling goods? But here again, things cannot be produced in quantities sufficient to keep him alive, except with the use of elaborate mechanical equipment. To use any such equipment is unlawful, except on the owner's terms. Those terms usually include an implied abandonment of any claim of title to the products. In short, if he be not a property owner, the law which forbids him to produce with any of the existing equipment, and the law which forbids him to eat any of the existing food, will be lifted *only* in case he works for an employer. It is the law of property which coerces people into working for factory owners—though, as we shall see shortly, the workers can as a rule exert sufficient counter-coercion to limit materially the governing power of the owners.

Not only does the law of property secure for the owners of factories their labor; it also secures for them the revenue derived from the customers. The law compels people to desist from consuming the products of the owner's plant, except with his consent; and he will not consent unless they pay him money. They can escape, of course, by going without the product. But that does not prevent the payment being compulsory, any more than it prevents the payment of the government tax on tobacco from being compulsory. The penalty for failure to pay, in each case, may be light, but it is sufficient to compel obedience in all those cases where the consumer buys rather than go without. On pages 620–621, Mr. Carver attempts

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to distinguish on the ground that in the case of the tax the government "did not produce the tobacco but only charges the manufacturer or the dealer for the privilege of manufacturing or selling." But this is equally true of the owner of the factory, if he is an absentee owner. Whether the owner has rendered a service or not bears only on the question of the justification of the income which he collects, not on whether the process of collecting it was coercive.

As already intimated, however, the owner's coercive power is weakened by the fact that both his customers and his laborers have the power to make matters more or less unpleasant for him—the customers through their law-given power to withhold access to their cash, the laborers through their *actual* power (neither created nor destroyed by the law) to withhold their services. Even without this power, it is true, he would have to give his laborers enough to sustain them, just as it is to his own interest to feed his horses enough to make them efficient. But whatever they get beyond this minimum is obtained either by reason of the employer's generosity and sense of moral obligation, or by his fear that they will exercise the threat to work elsewhere or not at all. If obtained through this fear, it is a case where he submits by so much to their wills. It is not a "voluntary" payment, but a payment as the price of escape from damaging behavior of others. Furnishing food to one's slaves is essentially different; the owner may do it reluctantly, but if there is any "coercion" it is the impersonal coercion by the facts of nature which account for the slaves' labor being less efficient without the food; he is not influenced by the will of any human being. In paying high wages to wage-earners, on the other hand, he is. But for their will to obtain the high wages, and their power of backing up that will, he has no reason for paying them. Yet he does. What else is "coercion"?

There is, however, a natural reluctance so to term it. This can be explained, I think, by the fact that some of the grosser forms of private coercion are illegal, and the undoubtedly coercive character of the pressure exerted by the property-owner is disguised. Hence the natural reaction to any recognized form of private coercion is, "forbid it." One who would not wish to take from the laboring man his power to quit the employer, or to deny him the wages that he gets for *not* quitting, is apt to resent the suggestion that those wages are in fact coercive. But were it once recognized that nearly all incomes are the result of private coercion, some with the help of the state, some without it, it would then be plain that to admit the coercive nature of the process would not be to condemn it. Yet popular thought un-

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doubtedly does require special justification for any conduct, private or governmental, which is labeled "coercive", while it does not require such special justification for conduct to which it does not apply that term. Popular judgment of social problems, therefore, is apt to be distorted by the popular recognition or non-recognition of "coercion". Hence it may be worth while to run down into more detail the distinctions popularly made between coercion and other forms of influence over people's conduct.

"Threats" are often distinguished from "promises". If I tell a man I will do some positive act whose results will be unpleasant to him, unless he pays me money, and if as a result he pays it, I would usually be said to be collecting it by means of a "threat." If, on the other hand, I tell him I will do some positive act, whose results will be pleasant to him, *if* he pays me money, and he does, it would be said more commonly that I collected it by means of a "promise". Partly as a result of the moral connotation generally given to these terms, partly as its cause, the law more frequently interferes to prevent the doing of harmful acts than it does to compel the doing of helpful ones. Many (but not all) positive acts which are disadvantageous to others are forbidden; not so many positive acts that are advantageous to others are compelled. In other words, most torts and crimes consist of positive acts. Failure to help does not as a rule give rise to legal punishment or a right of action. Yet there are exceptions. Certain acts not in themselves actionable at law, may give rise to legal duties to perform positive acts. If I start an automobile in motion, I have committed no legal wrong; but if subsequently I fail to perform the act of stopping it when "reasonable care" would require me to do so, the victim of my failure to act can recover damages for my non-performance.[1] Again, and more significant, if I have promised to do certain things (with certain formalities or "consideration"), my act of promising was not a legal wrong. But if I subsequently fail to perform at the time specified, the promisee has a right of action for my failure to act. It is significant of the reluctance to admit the existence of positive legal duties, that in both cases language is used which makes my wrong conduct seem to consist of wrongful acts instead of wrongful *failure* to act. It is said, in the one case, that I "ran over" the victim, in the other that I "*committed* a breach of contract." Yet in neither was the wrong an act, but a failure to act: in the first case, my failure to make the requisite motions for stopping the car; in the second, my failure to perform the act promised.

[1] *Cf.* an article by Leon Green in 21 *Michigan Law Review*, 495 (March, 1923).

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Now suppose that instead of actually refraining from doing the acts which the law requires, I say to a man, "Pay me a thousand dollars, and when I meet you on the road walking I will use sufficient care to stop my car or to steer it so that it will not hit you; otherwise I will do nothing about it." Is that a "threat" or a "promise"? Or if I say, "Pay me a thousand dollars and I will perform the acts I have already contracted to perform"? I believe most people would call these statements threats rather than promises. Why? It may be partly due to the misleading language which speaks of the *act* of running over and the *act* of breaking a contract. But even were the fact recognized that payment were demanded as the price of *not abstaining*, I believe the demands would still be called threats. The reason, I believe, is partly because to abstain is contrary to legal duty, partly because it is adjudged to be contrary to moral duty. Popular speech in this case seems to apply the term coercion to demands made as a price of not violating a legal or moral duty, whether the duty consists of acting or of letting alone. But this criterion will not do, either.

If an act is called "coercion" when, and only when, one submits to demands in order to prevent another from violating a legal duty, then every legal system by very definition forbids the private exercise of coercion—it is not coercion unless the law does forbid it. And no action which the law forbids, and which could be used as a means of influencing another, can fail to be coercion—again by definition. Hence it would be idle to discuss whether any particular legal system forbids private coercion. And if an act is called "coercion" when, and only when, one submits to demands in order to prevent another from violating a *moral* duty, we get right back to the use of the term to express our conclusion as to the justifiability of the use of the pressure in question; with the ensuing circular reasoning of condemning an act because we have already designated it "coercive." One is likely, that is, to have a vague feeling against the use of a particular form of economic pressure, then to discover that this pressure is "coercive"—forgetting that coerciveness is not a ground for condemnation except when used in the sense of influence under pain of doing a morally unjustified act. And obviously to pronounce the pressure unjustified because it is an unjustified pressure is to reason in a circle. Hence, it seems better, in using the word "coercion", to use it in a sense which involves no moral judgment.

But popular feeling sometimes makes another distinction. If I plan to do an act or to leave something undone for no other purpose than to induce payment, that might be conceded to be a "threat." But if

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I plan to do a perfectly lawful act for my own good, or to abstain from working for another because I prefer to do something else with my time, then if I take payment for changing my course of conduct in either respect, it would not be called a threat. If a man pays me to keep out of a particular business, or if he pays me to work for him (when I am not legally bound by contract to do so), then it seems absurd to many to say that he paid me under threat of coercion —unless, in the first case, my sole motive in entering the business was to bring him to terms, and unless in the second I preferred working for him to any other occupation of my time, and my sole motive in abstaining was again to bring him to terms. For purposes of ordinary conversation, some other word than coercion may be preferred to describe payments made to a man who makes a sacrifice to "earn" them. But can a line be drawn? I believe the popular distinction along these lines is based on moral judgment. If a man gives up a job he likes, or if he works for another man, why shouldn't he be paid for it?—it will be asked. Perhaps he should. But unless the term "coercion" is applied only to conduct adjudged immoral, does the justifiability of the receipt of payment prevent it from being coercive?

If those distinctions are all invalid, then, which seek to remove the term "coercive" from some of the influences exerted to induce another to act against his will, it seems to follow that the income of each person in the community depends on the relative strength of his power of coercion, offensive and defensive. In fact it appears that what Mr. Carver calls the "productivity" of each factor means no more nor less than this coercive power. It is measured not by what one actually *is* producing, which could not be determined in the case of joint production, but by the extent to which production would fall off if one left and if the marginal laborer were put in his place—by the extent, that is, to which the execution of his threat of withdrawal would damage the employer.[1] Not only does the distribution of income depend on this mutual coercion; so also does the distribution of that power to exert further compulsion which accompanies the management of an industry. Some extremely interesting suggestions of the likelihood of control by capitalists, cooperative buyers, cooperative sellers and laborers are to be found on pages 222–225. This power is frequently highly centralized, with the result that the worker is frequently deprived, during working hours and even beyond, of all choice over his own activities.

[1] *Cf.* the statement on p. 530.

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To take this control by law from the owner of the plant and to vest it in public officials or in a guild or in a union organization elected by the workers would neither add to nor subtract from the constraint which is exercised with the aid of the government. It would merely transfer the constraining power to a different set of persons. It might result in greater or in less actual power of free initiative all round, but this sort of freedom is not to be confused with the "freedom" which means absence of governmental constraint. Mr. Carver himself points out (pp. 134–5 and 424), that the governmental constraint involved in the maintenance of traffic police results in giving the average individual *greater* "freedom of movement." But "freedom of movement" does not mean freedom from governmental constraint, or even from constraint by private individuals. It means freedom from physical obstruction—in other words, greater physical *power* to move. Whether in other cases, too, physical power to exercise one's will is enhanced by a certain amount of legal restriction depends upon the peculiar facts of each case.[1] Whether Mr. Carver's scheme of things would be more or less "free" (in the sense of giving people greater power to express their wills) than would a state of communism, depends largely on the economic results of communism respecting the character of factory work. Neither can be said to be any "freer" than the other in the sense that it involves less coercion on the part of other human beings, official or unofficial.

The distribution of income, to repeat, depends on the relative power of coercion which the different members of the community can exert against one another. Income is the price paid for not using one's coercive weapons. One of these weapons consists of the power to withhold one's labor. Another is the power to consume all that can be bought with one's lawful income instead of investing part of it. Another is the power to call on the government to lock up certain pieces of land or productive equipment. Still another is the power to decline to undertake an enterprise which may be attended with risk. By threatening to use these various weapons, one gets (with or without sacrifice) an income in the form of wages, interest, rent or profits. The resulting distribution is very far from being equal, and the inequalities are very far from corresponding to needs or to sacrifice. Most radical movements have as at least one of their aims the reduc-

[1] It is this fractional freedom which must be the interest Pound has in mind when he speaks of "men's aspirations for free self-assertion."—*Interpretations of Jurisprudence*, p. 126. But it is doubtful whether even Pound recognizes that this interest does not necessarily run counter to legal restraint.

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tion of these inequalities, and the bringing of them into closer conformity with needs or sacrifices. Professor Carver has the same aim. He would accomplish it, however, primarily, not by altering the legal arrangements under which the various weapons are allotted, but by altering the effectiveness of the weapons. In explaining the distribution of wealth "our first problem", he says, is "to study the market value of each factor, or agent, of production in order to find out why the seller of each factor gets a large or a small share" (p. 471). (The study of the legal arrangements by which the seller of each comes to have control over that particular factor does not interest him.) And a nearer approach to equality is to be reached by changing the market values—i. e., the effectiveness of the weapons. He would try to bring about what he calls a better balance of factors. One man's power to withhold his unskilled labor is not a strong weapon, because unskilled labor is too plentiful, and the demand for it too weak. Therefore make it scarcer, and increase the demand for it. Capital gets a large return because capital is relatively scarce. Therefore encourage thrift, and the interest rate will drop. Land rent will fall if more bad land is made good by reclamation projects. And the increase of the scarce factors will in itself increase the demand for the less scarce and thus will work in cooperation with the thinning-out of the latter to raise their market value.

Mr. Carver's explanation of what determines the market values of capital, labor, etc., is clear and penetrating, along the lines followed in his much earlier *Distribution of Wealth*. He employs the "marginal analysis", and his conclusions are subject to whatever qualifications recent study has necessitated in the use of that analysis. Possibly one qualification of his analysis of the benefits to be derived from an increase in the supply of capital, may be suggested. It is a qualification required by his characteristic preoccupation with long-run results, without regard to transitional consequences. With an increased supply of capital, according to his reasoning, dividends on common and preferred stock will fall, also interest offered for new bonds. But according to the same reasoning, if the process goes far, interest on old bonds will be defaulted. If bankruptcy is widespread, and results in business depression, the demand for labor will drop, since, despite the greater *physical* productive capacity, the *psychological* motives for utilizing that capacity will be paralyzed. It is the owners who determine how far to carry its utilization, and their judgment is motivated by the prospect of profits. One result is of course a fall in wages, which will restore somewhat the net earning

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power, but not sufficiently to give it the old motive force to induce full utilization. Despite lower labor costs, industry is still unprofitable owing to the fall in the price of the products; and this fall is not the result solely of increased supply, but also of the decreased demand ensuing upon unemployment and enforced economy. If an increase in the supply of capital brought about its lower interest rate smoothly, without causing bankruptcies and other dislocations, there might then be no paralysis of productive motives, for the hypothesis of a greater degree of thrift implies that the motive to invest will function despite a lower interest rate, and no other factors of production would be less well rewarded than before. But such smoothness in the process is not what is found in actual life; and while the dislocations which accompany it seem from the point of view of symmetrical theory to be mere qualifications, and of no great importance for explaining the central theory, yet in actual life many qualifications of theories assume great practical importance. And business depressions are not to be overlooked in considering the effects of increased thrift. Elsewhere in his book Mr. Carver considers depressions, and his explanation is in no way inconsistent with a view that increase of thrift may be one of the things which might bring them about. He traces them back to fluctuations in prices of products, which cause magnified fluctuations in the value of capital equipment (pp. 436-9). But an increase in the amount of capital equipment, with an accompanying increase in the supply of products, will doubtless be one factor causing a reduction in the price of the products. The effect on the value of the plants will be partially offset by the fact that the lower net earnings will be capitalized at a lower interest rate, but if the increase in the supply of capital is swift, there is no reason to assume that the offset will be complete. The temporary effect of thrift, then, may be quite different from the effect which Mr. Carver foresees. But this does not, of course, prove that its total effect may not be to lower the earnings of capital and to raise those of labor. For in times of prosperity it is very likely that the limiting factor in production is not the reluctance to use existing capital equipment, but its physical scarcity. What may be the net benefits to the workers from increased thrift, is a question inviting more study than Mr. Carver gives it.

His balancing program, then, consists in a greater equalization of the market values of the different factors of production. What are the concrete steps which he would take to effectuate his "balancing program"? Unskilled labor he would render scarcer, partly by thinning out its ranks through greater educational opportunities, partly by

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encouraging an increase in the standard of living (thus indirectly diminishing the birth rate—he does not mention birth control) and partly by restricting immigration. In refreshing contrast with many publicists, he has no fears for a "labor shortage"—in fact he would welcome one. In his outline of "A Liberalist's Program" he suggests minimum wage laws and minimum building standards as means of raising the standard of living, but does not develop these interesting suggestions elsewhere in the book. Thrift campaigns would be another means for raising the standard. In restricting immigration, we confront two objections, which the author ignores—one, the interests of foreign workers, the other, danger to our own people from international complications which might ensue. Mr. Carver's nationalist philosophy simplifies the problem for him by permitting him to ignore the former completely. And the avoidance of war does not seem to interest him greatly.

By his "balancing program" Mr. Carver hopes to bring about greater equality in the effectiveness of the coercive weapons (though he does not express it this way); to increase the mischief which the unskilled worker can achieve by withholding his labor (thus enabling him to collect a larger wage as the price of not causing the mischief) and to decrease the mischief which the property-owner or the possessor of business skill can cause by withholding his property or his skill. Perhaps he would achieve all that he hopes for, but he offers no quantitative proof of the result. Why, then, does he show little interest in supplementing his program by proposing to alter the legal arrangements themselves? He might conceivably propose to distribute the weapons anew, or to make their use conditional either on charging low prices or on paying high wages or on paying taxes which could be redistributed to those whose bargaining weapons are weak. Such proposals, however, receive but limited sympathy from him. He is fond of contrasting his "voluntaristic" balancing program with the coercive "voting programs" of socialism and communism, and the coercive "fighting programs" of Bolshevism and the I. W. W. This is attributed, I believe, to his failure to see the coercive nature of the bargaining weapons, coupled with his keenness in scenting coercion in any legal arrangements which would alter the distribution of these weapons.

He does not, however, entirely eschew a "voting program," nor are all the reasons he gives for not going further, tinctured with his "voluntaristic" fallacy. One prime reason he has for not tampering with the unequal incomes which flow to the owners of the various

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factors, is that these incomes perform the function of redressing that same uneven balance of which the unequal incomes are but symptoms. Whatever factors have the greatest market value, and accordingly bring their owners the greatest rewards, are the factors which society has most need to have increased, and the high rewards will induce more people to produce them. There is much reason for doubting the perfect correlation between market values and society's needs. Yet there is a large element of truth in the proposition that many of the inequalities of income serve the useful function of stimulating production in such a way as to benefit others as well as the producers. And some inequalities might be defended on other grounds—for instance, on the ground that their removal would cause serious temporary dislocations. But as we have seen, Mr. Carver is not greatly interested in such temporary matters. Even his balancing program is intended to remove many of the inequalities which are not needed for incentives, with a rather ruthless disregard for dislocations. What inequalities would he remove by a "voting program"?

In the first place he would have the government regulate monopoly prices. The monopoly profit is a symptom of scarcity, but far from functioning to remove its own cause, it functions to perpetuate it. The monopolist deliberately limits output. What light does Mr. Carver's theory give to the government regulator to assist him in the regulating process? The regulation of monopoly prices presents problems concerning the amount of reward which incentive necessitates—whether an increment of value, for instance, is in some cases essential to induce the taking of socially useful risks; concerning the extent to which protection should be given to the values of shares of stock already bought at prices based on monopoly power, even where such protection is not essential as an incentive; concerning the apportionment of the joint costs of the enterprise among the various classes of consumers. Suggestions on all these problems from a keen and original mind like Mr. Carver's would be most welcome. But they are not to be had. He takes the cynical view that regulators are politicians, and politicians all demagogues, and there is no hope for any really intelligent system of regulation. He favors regulation merely as a choice of evils, on the ground that the interests of politicians and of trust operators are not the same; "and, as a result of their pulling and hauling, prices will not be fixed quite so completely in the interest of the trusts but more in the interest of the trusts and the politicians" (p. 221).

Another feature of Mr. Carver's "voting program" is "the redis-

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tribution of unearned wealth" by "increased taxation of land values," and by "a graduated inheritance tax" (p. 766). Does "unearned wealth" mean all wealth which does not function as an incentive to production? And would Mr. Carver go so far as to tax all of it away for the purpose of a more equal distribution? If so, his "voting program", little as he stresses it in this book, might far outweigh in its results his "voluntaristic" program. Let us examine briefly how far such a program would indeed go, what objections to its complete realization can be found in Mr. Carver's philosophy (he is not explicit as to how far he would push it) and what other objections there might be, not voiced by him.

How far could taxation be pushed without checking the incentive to produce? Every tax, of course, diminishes somebody's real income, if not somebody's money income. In considering the effect upon incentive of the diminution of any kind of income, it is convenient to distinguish two different sorts of effects. The *prospect* of receiving an income may stimulate one to work or to save; the *past* receipt of income may induce one to save without much *prospective* income as a further inducement. The first effect depends upon the sort of income, the second upon its size. A rich man, in other words, may be induced more easily than a poor man to devote part of his wealth to the creation of capital equipment, by investing it, and consequently the concentration of wealth may conceivably result in greater production quite regardless of whether the rich man originally received his income by way of inheritance, "rent", interest or profits. Before discussing this matter, let us turn to various forms of taxation to ask whether they would be likely to lessen the *prospective* motive to work or save. No complete discussion is attempted here, merely a summary of Mr. Carver's views with brief comments thereon.

Inheritances in excess of a certain amount could be quite severely taxed, even to the point of complete confiscation of the excess amounts, apparently, without diminishing the motives which the prospect of leaving wealth furnishes to one who leaves it.[1] Income due solely to the ownership of urban land (apart from improvements) is pure surplus above incentive, and its taxation would not diminish the supply of anything, and therefore would increase no prices (p. 634). The same is true of a tax on the net profits of a monopoly (p. 636). Here again, as in the discussion of price regulation, Mr. Carver fails to analyze the distinction between the net monopoly profits and mere

[1] *Essays in Social Justice*, pp. 322-3.

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competitive profits. Interest is essential to induce the saving of capital, hence any taxation of it would reduce saving, diminish the supply of capital equipment, raise prices and lower the demand for labor, and therefore lower wages. Yet by Professor Carver's own analysis (pp. 544–50, reprinted from his earlier book, *The Distribution of Wealth*), it is only the marginal savings which require the full interest now paid to call them forth. It would seem to follow that a tax on the interest received by the "intramarginal" saver would not reduce the *prospective* motive for saving; and that a *general* tax on interest would reduce the prospective motive but slightly. This last conclusion has been drawn by A. B. Wolfe,[1] but Mr. Carver thinks that "such a conclusion is of doubtful validity." One reason he gives is an assertion that "marginal saving takes place . . . . along an extended line and not simply upon a single point on that line." This assertion rests on the premise that "every saver is probably a marginal saver to some extent". Whether it is a complete answer to Professor Wolfe's more extended argument to the effect that marginal saving takes place along only a short line, may be left to the judgment of the readers of both.

But Mr. Carver has another answer, which comes nearer to the *non-prospective* motive for saving. If interest were taxed away, "it would reduce the incomes of those who had shown the propensity to save, either automatically or for the deliberate purpose of getting interest. They would therefore have less from which to save. Granting that others would find their incomes correspondingly increased, still, these would necessarily be the ones who had not previously saved much capital, and the probabilities are against the assumption that they will now save enough to compensate for the diminution in the amount saved by the previous savers." It will be noted that Mr. Carver uses the argument of the non-prospective motive, not to show that the rich as such are more likely to save, but that the interest-receivers, not because they are rich but because they have shown a saving propensity, are more likely to save again than are others with the same incomes. It may be questioned to what extent the present interest-recipients are such by reason of any "propensity", to what extent it is because they started with more money; the existence of the non-interest-receiving class might perhaps be explained just as plausibly on the hypothesis that they never received enough income to permit them to save, as on the hypothesis that they lacked as much of a saving propensity as the rest.

[1] *Quar. Jour. Eco.*, vol. 35, pp. 1 *et seq.* (Nov., 1920).

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However that may be, the non-prospective motive presents a real problem. By assisting the rich to coerce money from the poor, the government may perhaps furnish no *prospective* stimulus to induce the rich to do anything productive *in order to get* that income, yet the money so coerced may be used to direct industry into the construction of of additional productive equipment, which will benefit future generations, rich and poor alike. If this money had been diverted instead into the hands of the poor it would have caused industry to be directed, not into the production of so much additional material equipment, but into the production of more goods which would have been consumed by the poor. Such is the argument for concentration. It is not Mr. Carver's—his only use of the non-prospective motive argument is in the passage quoted. In the form above he neither advances nor refutes it; yet, if valid, it would make against his own equalizing program. It is an argument which cannot be ignored in considering a reduction of the inequalities in our present distribution of wealth. It is in effect an argument that the compulsory power of government (for all property incomes are derived from the exertion of that power) should divert funds which might otherwise be turned to the poor, to the rich instead *en route* to a voluntary diversion by the rich into a capital fund; on the capital fund so provided, the rich are to be paid interest by the poor, but this interest the rich will voluntarily re-invest, and so on indefinitely. With each new addition to the productive equipment, society will be able to pay the poor more; but if it does so, less will be added than otherwise to the capital fund in the future, and the potentiality of rewarding the poor for their enforced abstinence later will not be increased so much. If this were pushed to its extreme conclusion, the poor would be kept down perpetually to the subsistence level in order to increase the potentiality of bringing them above it. In this extreme form, the policy defeats its own end, just as excessive saving by an individual defeats its own end of adding eventually to his spending power. On the other hand if no consideration at all is given to this non-prospective motive, it is possible that the poor would soon be worse off than otherwise. One would like to see the subject discussed in all its ramifications. But one will not find the discussion in this book.

But these considerations which have to do with incentive are not the only considerations which can be advanced to stay the hand of a drastic policy of equalization by taxation. Once it is settled how far taxation could be carried in an equalizing direction without checking incentive to production, other considerations may be urged against

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carrying it so far. At the very threshold of the discussion, it will be urged that any taxation for the deliberate purpose of equalizing wealth violates the fundamental canon of taxing "according to ability to pay", sometimes known as the "faculty" principle. Were taxation to cut down those large incomes which do not function as incentives and to leave untouched those equally large incomes which do, the recipients of the two would not seem to be taxed according to their respective "abilities", which are equal—unless, indeed, we accepted John A. Hobson's definition of "ability" as "ability to pay *without shifting the tax to the consumer*".[1] Moreover, as between a high and a low non-incentive income, the "ability" principle would require taxes which would still leave a discrepancy between the two incomes after payment of the taxes. The principle of equalization (except where incentive forbids) would wipe out both incomes. More accurately, it would seize all the non-incentive incomes in excess of the average, and would distribute them to those who receive less than the average. This it would not necessarily do in the form of a money dividend; but the use of the taxes for public purposes would increase the real incomes of the public, or of some portions of it—if only of that part of the public which finds satisfaction from municipal jubilees or from the existence of large navies or costly post-office buildings. What would Mr. Carver do? In his principal discussion of taxation,

[1] Of course "shifting" takes place through an increase in the price of a commodity or service and this increase, in turn, takes place either through a diminution in production or through a failure of production to increase in the face of an increasing demand. It is only a tax of the kind which diminishes the incentive to produce which would seem to be susceptible of "shifting." When taxes of this sort are imposed, however, it is the consumers of the products who really pay it. And there is no reason to suppose that the consumers of products have abilities to pay taxes proportionate to the incomes received by those who sell them the products. In other words a tax levied on the principle of "faculty", without discrimination between incomes which function as incentives and those which do not, defeats the very principle upon which it purports to be levied, for it burdens those of little "ability to pay." This fact is well expressed by one of the foremost upholders of the "faculty theory", Professor E. R. A. Seligman, (*Progressive Taxation in Theory and Practice*, second ed., 1908, pp. 299-300). In discussing the relative merits of proportional and progressive taxation, he says: "It is only in so far as we assume that so-called direct taxes remain where they are put, that the considerations of faculty or ability are of any weight. For the purpose of the theoretical discussion it may be taken for granted that the problem of progression *versus* proportion must be treated on the hypothesis that the assumption is true. When we come to construct a progressive scale in practice, however, we must be careful to ascertain how far the assumption conforms to reality. A progressive scale of taxation which does not reach individual faculty at all is as unnecessary as it is illogical."

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he is considering it as a necessity of government, not as an instrument of equalization. Nevertheless he rejects the "ability" theory on the ground that it violates, in his opinion, the utilitarian principle of least sacrifice. Taxation of a sort which represses desirable industry should not be resorted to, he thinks, until the possibilities of non-repressive taxation have been exhausted. Confining himself to non-repressive taxation, he undertakes to demonstrate that as between two non-incentive incomes of different sizes, less sacrifice is caused by taxing the recipient of the higher income than by taxing the recipient of the lower, until the higher is reduced to the level of the lower (p. 656). That is, each dollar taken from the richer man causes less sacrifice than one taken from the poorer, as long as the untaxed portion of the former income still exceeds the latter. Mr. Carver, then, would depart from the "ability" principle, and would not necessarily leave intact a discrepancy between the higher and the next higher of various non-incentive incomes. If the government needed income as great as the difference between the two, it should all come from the top income, which would thus be reduced to the size of the next. But even if the government did not need so much for its regular expenses, Mr. Carver's logic would lead to the conclusion that as long as there are any discrepancies between non-incentive incomes, less sacrifice will be occasioned by pushing taxation still further, and using the funds for the benefit of the recipients of the lower incomes. For not only, according to this logic, would each dollar taken from the rich cause less sacrifice than a dollar taken from the poorer, but each dollar taken from the rich would cause less sacrifice than that which would be relieved in the poorer by adding a dollar to *his* income—until equalization resulted (except, always, for the incentive incomes). Yet Mr. Carver does not push his logic so far. He accepts instead the canon "that the taxes should be as little burdensome as possible" (p. 628). But if making *taxes* more burdensome results in making something else less burdensome to a greater degree, there seems no more reason for Mr. Carver's clinging to this canon than to that of "ability to pay." Whether or not one accepts Mr. Carver's grounds for rejecting the "faculty" theory, however, it must be remembered that that theory judges taxes by comparing the amounts actually paid by different individuals, without making any comparisons of the incomes remaining after the taxes are paid. If the discrepancies in the incomes remaining are to be justified, well and good; if not, why should taxation hesitate to remove them, unless some other instrument happens to be more appropriate? The payment of the taxes affects the sizes of the incomes. To leave that effect

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out of account, and to consider only the amount paid, instead of the amount left, as the "faculty" theory does, is to take a distorted view of the matter. It is like comparing the amount of change handed by a street-car conductor to various passengers, without taking account of how much he has left from their payments after giving them the change. The payment of $4.95 to one and of five cents to another would seem to be unjustified discrimination if we leave out of account the fact that the former had paid the conductor a five-dollar bill and the latter a dime. By similarly leaving out of account the fact that a man with a $10,000,000 non-incentive income and the man with a $10,000 one have been given these incomes by legal arrangements (i. e., by the government), the "faculty" theory makes it seem monstrous to compel the former to pay a tax of $9,990,000 and the latter of nothing. Yet as "change" for the property rights given by the government, the appearance of monstrosity disappears—unless there is some other justification for the discrepancy.

That brings up another ground for maintaining some of the inequalities, even when they do not add incentives to production. The rich man's habits may have made some things necessities for him which the poor man cares nothing for. Hence the gain to the poor man from equalization is less, psychologically, than the loss to the rich of his accustomed satisfactions. Mr. Carver admits the point as an argument against his taxation principle of reducing the rich man's income to the level of the poorer man's before starting to tax the latter. He admits it, but dismisses it, and it seems to me that both his admission and his dismissal oversimplify the problem raised. His admission is too wholesale, for while there are some wants whose non-satisfaction is particularly painful only to one who is accustomed to satisfy them, there are other wants whose non-satisfaction is painful wholly regardless of whether they have ever been satisfied. Such is intense physical pain, even when one has never been accustomed to buy the means of relieving it. On the other hand the problem cannot be dismissed by asserting, as Mr. Carter asserts, that at the end of a generation the standards of the rich and the poor would be equalized (p. 655). Such characteristic disregard of all but long-time considerations brings slight comfort to the man who has to wait until the passing of his generation (till his own death, in other words) before he ceases to suffer from the taking away of his accustomed satisfactions.

Another argument against leveling all those inequalities which fail to serve as incentives, is the argument known as that of "vested rights" or "legitimate expectations." One who has paid the full market

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value for a right to squeeze income out of the community seems to have more claim to sympathy when deprived of that right than does a man who parted with nothing for it. If we allow him to continue to get the income for that reason, even though it does not function as an incentive, we are doing it in effect on the ground that he needs it more than would one who had not paid, or at least that he "deserves" it more. The argument has weight, but seems to justify more study than is usually accorded to it. The "vested rights" of property are protected by law from some vicissitudes. But the law leaves them exposed to many others—such as competition, the constitutional exercise of the police power, the increase in the cost of operation (due perhaps to the government raising of railroad rates) and the falling off of demand. Moreover there are "legitimate expectations" which have not crystallized into property rights, such as personal skill acquired at great cost, or such as an ordinary job. To be deprived of these expectations may cause fully as great hardship as any destruction of a property right.[1] These rights do not now find protection. In fact it would be impossible to afford a complete guaranty to all of them, or even to all property rights, against all shrinkage of value. Frequently it may be true that to preserve one value (e. g. the value of railroad securities) it may be necessary to curtail another (say the property of the shipper who has to pay the higher railroad rates). As long as this is the case it may do more harm than good to "legitimate expectations" themselves to protect them against certain sorts of changes, while leaving others exposed to diminution from changes of a different sort. The ones which are exposed might be partly protected by less rigidity in the protection of the unexposed. The whole problem is another of those which fails to interest Mr. Carver. It concerns only things that happen in the interval before the "long-run" tendencies, with which he is concerned, have time to work themselves out. Meanwhile it may be observed that the problem is not raised by all proposals for bringing about greater equalization of incomes. It is not raised, for instance, in any of the proposals to prevent future growths of inequality—proposals to tax inheritances, or to tax future increments in land values.

In the case of inheritances, however, Mr. Carver suggests that certain grounds against drastic reductions would become apparent by "con-

[1] Cf. the very suggestive article by Professor James H. Tufts in 21 *Columbia Law Rev.* 405 (May, 1921), "Judicial Law-Making Exemplified in Industrial Arbitration."

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sidering the family rather than the individual as the unit of society, and considering the family as a permanent unit unaffected by the brevity of individual lives" (p. 122). But obviously no amount of "considering" will make the family such a permanent unit, as long as social custom and biological law make the cooperation of members of other families essential to the reproduction of offspring. But Mr. Carver himself in 1915 considered this argument for inheritance no bar, under modern conditions, to a very drastic tax on inheritances in excess of what is needed to maintain the family in comfort.[1] And in the present book, as we have seen, he favors a distribution of "unearned wealth" by a graduated inheritance tax (amount not specified).

The owner of every dollar has, by virtue of his law-created right of ownership, a certain amount of influence over the channels into which industry shall flow. Increased buying of one product will make it worth while for more industry to flow into the production of that product rather than elsewhere. This is pointed out time and again by Mr. Carver. It is what he calls the "method of price persuasion" as distinguished from the "method of governmental compulsion" (p. 208). To call this "persuasion" rather than "coercion" is to use the same logic as that which would conclude that the tobacco tax is paid by persuasion rather than by compulsion. Whatever we call it, the fact remains that the business man will divert his energies into the channels where they will result in the production of goods of high market value, and out of the channels where they will produce goods of low values, if costs are the same in each. And the high value is partly a result of the demands of the owners of dollars. In producing the goods of higher value, thinks Mr. Carver, the business man is satisfying the desires of the community more completely than he would be by producing goods of lower value. The "marginal utility" of the cheap goods is lower, because the supply is already sufficiently great to satisfy the more pressing wants for it (pp. 351–2). The community may be mistaken in wanting the goods (pp. 485 and 55–57), but if not, the business man who pursues his own interest will be doing the most good, for he will be satisfying the most pressing wants. The channels of industry are governed by the "democratic voting" of those who vote with their dollars instead of with ballots;[2] and the result is the satisfaction of the most wants of the community. But what is "the community" whose wants are thus satisfied? It is not a single

[1] *Essays in Social Justice*, pp. 322–3.

[2] *Ibid*, pp. 112–125.

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sentient being, but a name given to various individuals who have wants. It must be obvious that the individuals with the most dollars exercise the most control over the channels. This Mr. Carver recognizes,[1] and replies that the rich man (if deservedly rich) *ought* to have more control. This may be true; but it does not prove that the result is to satisfy the needs of the *members* of the community in the order of the intensity of those needs. A less pressing need of a rich man will have more influence over the channels than will many a more pressing need of a poor man. This may be justified on various grounds—in fact, it would be difficult to escape it altogether without complete equality of incomes—but the grounds on which it cannot be justified are that it is the result of "democratic voting" (which in ordinary discourse implies "one man one vote") and that it satisfies the more pressing wants before the less pressing.

It is not essential to Mr. Carver's case to make the arguments described above. There is much force in the contention he makes in his somewhat heated reply to Henry Clay's statement of the assumptions underlying the *laissez-faire* philosophy (pp. 741–4). Mr. Carver contends that one may quite consistently believe it harmful for the government to meddle consciously with the channels of industry, without believing that the channels taken in response to market demands are the best conceivable. One has only to believe that the channels fixed by governmental policy would probably be worse. They might be thought worse without assuming the desirability of satisfying more fully the wants of the rich, merely because it might be thought that the government, in spite of universal suffrage, would not force industry into the channels really desired by the voters, and, even if it did, would cause incidental damage and loss in the process of meddling. Yet government officials at various times have to make decisions as to the relative desirability of different channels of industry; and in making these decisions they can get no help from the market demands. It would be helpful if some study could be made of the problems involved which would furnish a more illuminating guide than Professor Carver's cynical conclusion that all public officers are politicians, and all politicians are a bad lot anyway, whose only aim is to try to catch the most votes. Decisions as to the channels of industry have to be made in the course of regulating the rates of monopolies and spending the public revenue. Many a rate case turns on the question whether a large share of the joint costs of the railroad

[1] *Essays*, p. 123; *National Economy*, p. 485.

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ought to be borne by one sort of traffic and a smaller share by another, or vice versa. The answer to the question does not depend upon the market value of the respective services, since their market value will depend upon the answer given by the commission. Whenever an appropriation is made for a governmental expenditure, the question is no other than that of what sort of activity shall be promoted by the government's money demands. Since the working out of some sort of technique, if that be possible, would be helpful in answering these necessary questions, and since governments are likely to try their hands at still further control over the direction of industry, it might be well to examine somewhat more closely than does Mr. Carver the precise respects in which the "natural" channels fall short of perfection. If such a technique could be worked out, those officials who do meddle with the channels would have less excuse for guiding their actions by demagogic motives alone.

As already indicated, the rich man will always be in a position to satisfy his wants more completely than the poor man, as long as we continue to have rich and poor. But granting that a particular uneven division of income is desirable at a given time, it would be possible to divert the channels of industry to the advantage of the poor, without destroying the inequality in the money value of the relative shares. If the supply of working clothes were increased, by governmental intervention, and if their price consequently fell, while the supply of expensive evening clothes were diminished until their price increased, the workman would be able to buy more goods with his same money income, and the rich man fewer. The workman would have the same number of dollars worth of wealth, but more things. His real wealth would increase, the rich man's decrease. *How much* the wealth of either has changed we cannot say, for lack of a unit of measurement. In the abstract terms of economic theory, what has happened is that the consumer's surplus of the working man has increased, that of the rich man decreased. But again we have no way of measuring the change. That the result is to increase the sum total of human satisfaction may perhaps follow if we assume that the wants of each are equal to those of the other, since the workman's wants are less fully satisfied than the rich man's. But suppose we have a case where there is no such clear division between rich and poor. Suppose the government contemplates a diversion of industry from the production of books into the production of soap. There may be a net gain or a net loss from the change, when we take account of the conflicting interests of the two sets of consumers and of the two sets of producers,

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the collateral effects on the production of other things, and the loss in effort and irritation involved in the governmental process of effecting the change. Until economic science has developed some method of measuring changes in human satisfaction resulting from an increase in the production of one and a decrease in the production of another article, public officials will act pretty much in the dark. But the existence of this important economic problem is concealed by the common but fallacious doctrine of Mr. Carver and many other economists, that "the community" wants additional supplies of various goods with an intensity which varies with their market values.

The channels into which industry shall flow, then, as well as the apportionment of the community's wealth, depend upon coercive arrangements. These arrangements are put in force by various groups, some of whom derive their coercive power from control over governmental machinery, some from their own physical power to abstain from working. The arrangements are susceptible of great alteration by governmental bodies, and governments are concerning themselves more and more with them. Important interests are affected by the shape that these arrangements shall take. It is difficult to measure the interests, and even if they could be measured, there are no simple rules for determining how conflicts between them should be settled. The "principles of justice" supposed to govern courts do not suffice. Whatever accepted "principles" there may be, scarcely envisage the problems. Should they be settled on the basis of an enumeration of the persons affected? Representative government with a democratic suffrage is a crude (a very crude) device for bringing about settlements on this basis. Yet it may be doubted if the basis is a satisfactory one. Moreover the interests of vast numbers of persons outside the area where any one government holds sway may be affected by its decisions; and these interests at present obtain no representation in its councils. If the area is one rich in natural resources, it makes a great difference to many who live elsewhere how the concessions are apportioned, whether the resources are exploited at all or are locked up, how they shall be rationed (in case the supply, at the price charged, falls short of the demand), and what government shall control the disposition of any revenues derived from their taxation. Since the foreign interests have no representation in the local government, we find them bringing pressure to bear on it through the foreign offices of their respective home governments. We find attempts to formulate "principles" concerning concessions (such as the "open door"), and we find a desire for annexation. We find the foreign

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governments disputing with one another over these matters, which contain the most fertile seeds of modern warfare. All such problems of democracy, representative government, international economic conflicts and their adjustments, fall properly within the scope of a treatise on *The Principles of National Economy*. They are not discussed by Mr. Carver.

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REVIEWS

The Supreme Court in United States History. By CHARLES WARREN. Boston, Little, Brown and Company, 1922.—Three volumes, xvi, 540, 551, 532 pp.

The last three words of Mr. Warren's title are as significant as the first three. His work is not merely a critical analysis of the decisions of the Supreme Court or an historical sketch of the development of the personnel and powers of that institution. Besides all this, it is an illuminating commentary on the influence of the great decisions of the Supreme Court upon the course of our history from the very foundations of the Republic. And it is in deserved recognition of this feature that Mr. Warren's volumes have been awarded the Pulitzer prize of $2000 for the best work on American History published during the year 1922.

In addition to serious political and diplomatic problems which confronted our country at the inauguration of the national government, there was a constitutional problem of the first importance, namely, how to harmonize federal and state authority, to prevent the national Congress from trespassing on the powers jealously guarded by the states, and to prevent the state legislatures from taking action in conflict with the constitutional authority of the United States. Various methods of solving this problem were suggested in the Constitutional Convention. Alexander Hamilton wanted the states reduced to provinces dependent on the central government, with their governors appointed by the national executive. Madison approved the scheme of giving Congress a veto on state laws. Both the Virginia and New Jersey plans advocated the grant of power to Congress to coerce a delinquent or recalcitrant state. But the solution finally adopted, and incorporated substantially in Article VI, section 2 of the Constitution, was suggested by Luther Martin of Maryland, who, by a strange irony, became a bitter opponent of the ratification of the Constitution. Martin's resolution read:

> Resolved that the legislative acts of the United States made by virtue and in pursuance of the articles of Union, and all treaties made and ratified under the authority of the United States, shall be the supreme law of the respective States, as far as those acts

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> or treaties shall relate to the said States, or their Citizens and inhabitants—and that the Judiciaries of the several States shall be bound thereby in their decisions, anything in the respective laws of the individual States to the contrary notwithstanding.

In other words, the responsibility for the maintenance of the authority of the United States was put upon the courts, and the Supreme Court of the United States was naturally charged with the supreme responsibility and clothed with the final authority. The details of the composition of the Court, its modes of procedure, and the extent of its jurisdiction were not defined in the Constitution, but were established by Congress in the great Judiciary Act of Sept. 24, 1789—the corner stone of our judicial structure.

What comes out most clearly in Mr. Warren's pages is the fact that, at every stage of our history, opposition, dictated by the political interests of the protesting state or section, arose to challenge the "encroachment" of the federal courts upon the sovereignty of the states. A decision of the federal court in New Hampshire in 1794, enforcing the decrees of the old prize court under the Articles of Confederation, was condemned by the state legislature as "annihilating all power of the state and reducing this extensive and flourishing country to one domination"; and this complaint is echoed, in varied picturesque phrase of denunciation, through our history, at least to the end of the Reconstruction period, when the doctrine of states' rights ceased to have more than an academic interest. Notwithstanding the various forms of opposition to the "consolidating" tendencies of the Court—the early attempts to impeach the judges, the proposal for their removal by the President on petition from Congress, for the concurrence of more than a bare majority of the judges to make a decision valid, for limiting the term of the judges, and for the repeal outright of the 25th section of the Judiciary Act—the authority of the Court grew steadily.

Mr. Warren finds the chief cause for the firm establishment of the Court in the confidence of the American public in its dignified and scrupulous abstention from politics. The test came early, when Washington, in 1793, instructed Jefferson to address a letter to Chief Justice John Jay, asking the judges of the Supreme Court whether the President might have their advice on the legal question of restoring to their owners certain French prizes which had been brought into our ports in contravention of the laws of neutrality. The Court replied in firm but respectful language, declining to go beyond its

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functions as a purely judicial body, rendering decisions on cases duly litigated before it. It expressed regret at the embarrassment of the administration, but recorded its confidence in the President's "usual prudence, decision, and firmness" to "surmount every obstacle to the preservation of the rights, peace, and dignity of the United States". In thus leaving legal advice to the President in the hands of the President's own appointee, the attorney-general, and refusing to become a part of the "Administration" after the fashion of many of the European tribunals, the Supreme Court adhered rigidly to the doctrine of the separation of powers, and established the most distinctive feature of the American judiciary.

However, the judges of the Supreme Court are only men, subject to like passions as their fellowmen; and it has not always been possible, in times of heated argument, to keep all traces of political influence out of their decisions. In the early days of bitter rivalry between the "Jacobins" and the "Anglomen", some of the judges (notably Chase) were guilty of considerable political activity, and the appointment of two of the earliest Chief Justices (Jay and Ellsworth) on extended diplomatic missions to Europe shows how reluctant Presidents Washington and Adams were to accept the doctrine of the isolation of the judges from political service. It was natural, too, in those days of heated partisanship, that the Republican Jefferson could look upon a Court appointed by Federalist presidents as a bulwark of the Federalist party, and that the members of the Essex Junto should find a political significance in the decisions of Jefferson's and Madison's appointees. Nor can it be denied, in spite of Mr. Warren's valiant defense of the non-partisanship of the Court, that on rare occasions, like Marshall's "lecture" to Jefferson in delivering the opinion in the *Marbury v. Madison* case (vol. I, pp. 232 *et seq.*) or Taney's disquisition on slavery in the "*obiter dictum*" in the Dred Scott case (vol. III, pp. 1 *et seq.*), the Court did render itself obnoxious to the charge of departing from the strict limits of legal discussions.

On the other hand, Mr. Warren's pages make it very plain that the "independence of the judiciary" was no empty phrase. If Federalist, Republican, Whig or Democratic presidents expected that their appointees would in any way "pack" the court to favor their policies, they were disappointed. A full bench of Federalist judges, who might have taken revenge on Jefferson for undoing the Judiciary Act of 1801 and refusing the commissions to Marbury and his companions, upheld the Circuit Court Act of Jefferson's legislature in 1802. Judge Johnson, Jefferson's appointee, defied the President's embargo policy

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in *ex parte Gilchrist* (1808). A bench of five Republican judges and one Federalist (Marshall not sitting) maintained the national authority against the state of Virginia in the case of *Martin v. Hunter's Lessee* (1816). And a Republican Court undid the Reconstruction legislation of a Republican Congress in large part (1865–1884). "I might have made it less serious to myself, perhaps", said Marshall of the storm of criticism directed against his decision in the Burr case, "if I had obeyed the public will instead of the public law". And Story, a decade later wrote, "I prefer to meet present prejudices, rather than hereafter to suffer the deepest regrets for judgments which I could not sustain upon principles of law or upon conscientious errors of reasoning" (vol. I, p. 452).

A very valuable feature of Mr. Warren's work, redeeming the promise of the title, is the light that it throws on the influence of some of the great decisions of the Court upon our history. The reader will find excellent examples of these discussions, which the limits of this review do not allow us to comment on further, in the cases of *The Bank of the United States v. Deveaux* (vol. I, pp. 387 *et seq.*), *The Charles River Bridge v. The Warren Bridge* (vol. II, pp. 295 *et seq.*), the famous case of *Dred Scott v. Sanford* (vol. III, pp. 38 *et seq.*), and the second case of *The Philadelphia and Reading Railroad v. Pennsylvania* (vol. III, p. 349). Valuable also are many corrections of popular impressions about certain men and cases. Mr. Warren shows, for example, that John Marshall "attained the Chief Justiceship in the face of pronounced Federalist opposition", and would not have been confirmed by the Senate "If there had been any chance of persuading President Adams to appoint Judge Patterson" (vol. I, p. 176). He proves that the Judiciary Act of 1801 was not an eleventh-hour measure of partisan zeal to keep at least one department of the government in the hands of the Federalists after the triumph of Jefferson in the election of 1800 (vol. I, pp. 185 *et seq.*). He puts the case of *Marbury v. Madison* in a new light, by showing that, at the time, it was not so much the question of the power of the Court to adjudicate the validity of an act of Congress as the interference of Marshall and his associates with the authority of the President, that interested the public (vol. I, pp. 232 *et seq.*). And he clears Jackson from the almost universally accepted charge, categorically made by Burgess in his *Middle Period* (p. 219), of refusing to execute a decision of the Court. "Jackson never asserted a right", says Warren, "to decline to carry out a Court decision when acting in his executive capacity" (vol. II, p. 222).

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There are but a few statements in Mr. Warren's learned work to which exception might be taken by the critic. He twice (vol. I, pp. 4, 168) refers to the victory of Jefferson in 1800 as the "destruction" or "overthrow" of the Federalist party. It is certainly premature to speak of the destruction in 1800 of a party which continued for sixteen years to put a presidential candidate in the field. Mr. Warren states that if John Rutledge had been confirmed as Chief Justice by the Senate in 1795, "it is extremely unlikely that President Adams would have appointed John Marshall as his successor" (vol. I, p. 139). Rutledge died in 1800, and Mr. Warren gives no reason why Adams would have been averse to appointing Marshall then. In volume three, which seems not to have been quite so carefully revised as the first two volumes, there are a number of slips in dates. For example the South Carolina Nullification Ordinance is dated 1833 (p. 63); the Kansas-Nebraska Act, 1855 (p. 77); the Black Codes of the Southern states are put "between the *adoption* of the Thirteenth Amendment and the proposal of the Fourteenth" (p. 262), where the word "passage" would have been more exact; the date of Judge Woods' death is wrongly given as 1881; and the Hepburn Act is put in 1916 (p. 457). Mr. Warren also states that until the decisions on the Prize Cases in the spring of 1863, the government "had acted upon the theory that the war was an insurrection" and that "there were not two belligerent parties" (p. 103). We do not see how this assertion could be maintained in view of the blockade and President Lincoln's treatment of the *Savannah's* seamen in 1861.

The only really disappointing thing about Mr. Warren's work, however, is that he virtually brings it to a close at the end of the Chief Justiceship of Morrison R. Waite, in 1888. His reason is that "the succceeding thirty years of Chief Justices Fuller and White comprise a period so recent and so clearly within the view of living men as to render such detailed treatment unnecessary" (Preface, vii). It is of course true that this later period is "within the view of living men," but that does not mean that the living men, except in comparatively few numbers, have followed intelligently the history of the great decisions of the Supreme court in that period. Mr. Warren's work is confessedly "not a law book", but a work "for those who wish to view the Court and its decided cases as living elements and important factors in the course of the history of the United States" (Preface, v). And there are no "decided cases" in which the public has greater interest than just those vital ones touching the interpretation of the Commerce Clause and the Due Process Clause which have formed

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the major part of the Court's activity in the past generation. It would have been most acceptable if Mr. Warren had saved a good deal of the space which he gives to cumulative comments of the press upon the earlier decisions of the Court, and devoted it to an adequate discussion of some of the typical cases of the last thirty years.

DAVID SAVILLE MUZZEY

Memories of a Turkish Statesman, 1913-1919. By DJEMAL PASHA. New York, George H. Doran Company, 1923.—302 pp.

Although the trio which controlled the Turkish Government during the war, Enver, Talaat and Djemal Pasha, escaped after the armistice of 1918, they have all since met violent deaths, Talaat and Djemal at the hands of Armenians. So it is fortunate that the last-named, apparently while a refugee in Germany, set down enough of his experiences to provide some notion of the war as it was viewed in high Turkish circles. The version here offered is not complete, some parts having been withheld because of "political considerations".

Djemal Pasha, while a soldier by profession, seems to have been a politician by preference. He was *vali* of Adana and later of Bagdad before the Balkan wars, and although he commanded a division during the campaign in Thrace, he took advantage of the Young Turk *coup d'état* of January, 1913, with which the narrative begins, to get appointed military governor of Constantinople, with the pleasant duty of suppressing plots against the government. He presently handed over the command of the troops of the capital to Liman von Sanders, and became minister of public works and then minister of marine, about the time that Enver succeeded to the ministry of war. Henceforth the two men were rivals; if Djemal minimizes this, it is doubtless because he was the less powerful of the two. Enver looked to Germany for assistance, while Djemal, who had received a French education, desired an entente with France, at least so he claims.

He gives an interesting picture of the attempt, just before the war, to put Turkey under quasi-international control. Liman von Sanders appeared to undertake the reform of the army. An English mission was given charge of the navy, and "did their duty with absolute honesty". A French general commanded the gendarmerie, and French officials were installed in the ministry of finance. Russia stood sponsor for the Armenian reforms, which were to be controlled by Swedish and Dutch inspectors. But Djemal's account of his

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difficulties with the navy show how arduous the task of real reform was, quite apart from the rivalry of the Powers for economic concessions and the privilege of supplying munitions and ships.

In July, 1914, Djemal was invited to attend the French naval maneuvers, and took advantage of the chance to sound the Quai d'Orsay as to Turkey's joining the Entente, which would then be able "to close once for all the iron ring around the Central Powers". German apologists can certainly score a point from the admission of the political director of the foreign office that Djemal had "a very accurate idea" of Entente policy. But was Djemal's proposal "straight and unambiguous" (p. 106)? On the next page he states that the Turco-German alliance "was certainly signed on August 2nd, 1914", and that "negotiations had been in progress long before the war". His offer was doubtless unauthorized, but perhaps sincere, although he understood well enough that France would not help Turkey "to escape the iron claws of Russia", and often complains that French agents supported the enemies of the Young Turk régime in Constantinople and in Syria.

The offer of the German alliance on July 24, 1914, a date confirmed by German documents, caused Djemal some misgivings, for he "expected no advantages of any kind from Germany"; but his hand was forced by Enver, and he argues that "Germany, whatever else might be said, was the *only* power that desired to see Turkey strong". Perhaps it was he who suggested the sale of the German ships, which was "not real, but fictitious"; at any rate he agreed that "we should devote ourselves to remove any suspicions [the Allied ambassadors] might have as to our alliances". But Djemal wished to delay Turkey's entry into the war "as much as possible", hoping to conclude an alliance with Bulgaria which had been under negotiation since September, 1913; the Bulgarian minister, however, insisted that "it would be unwise of Bulgaria to intervene in the war before she could see how it was going to end". It was, of course, the dispatch of the German ships into the Black Sea by Enver that precipitated the war, and Djemal admits that even if the Russians had not attacked the ships (which he asserts to have been the case), the German admiral would have attacked them. Turkey may have made a mistake in joining the Germans, but Djemal is probably right in saying that "if we had remained neutral and left the Straits open, the inevitable victory of our enemy [Russia] would have sealed our fate with equal certainty". He is able to contemplate defeat without the bitterness of his German allies, for Turkey

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was able to "bring to a splendid close a national history which was established on honor and courage, and rich in fame and glory".

The war begun, Djemal was sent to Syria to organize the attack on the Suez Canal, an enterprise that depended on surprise for success, since the army was able to carry supplies for only four days! He attempts to justify its failure by the argument that it delayed the expedition against the Dardanelles; actually that expedition had not been resolved upon at this time. Djemal continued to command the Fourth Army, but his real task was to keep Syria quiet—which he did for a while by executing the leaders of the revolutionary movement, sending large sums to Sheriff Hussein in Mecca, and exchanging polite letters and speeches with the Emir Feisal. When the Arab rebellion came to a head in 1916, Djemal needed all his troops to ward off the British advance from Egypt; he states that at the first battle of Gaza he had only 18,000 men against more than twice as many of the enemy.

After the Russian revolution Djemal fell out with Enver, who was anxious to recover Bagdad and constituted the famous "Yildirim" corps. Djemal was opposed to any weakening of the Palestine front, in which he was supported by Falkenhayn, but since he also objected to an offensive on that front, which the German general was anxious to undertake, he was got rid of by being invited to visit the German front in France. On his return he was given charge of the supply services—and remarks, "If Falkenhayn had not been put in command of the army in Palestine, we could have held the Gaza-Beersheba line for years, and on the day of the armistice Syria and Palestine would have still formed part of the Ottoman Empire". Djemal says that he tried to resign, but remained under pressure; other writers state that in December, 1917, he returned to Constantinople, and resumed his office as minister of marine. He gives no account of his activity after that date.

The last chapter is devoted to the Armenian question. Turks and Armenians are represented as getting along together well enough until the latter were incited by Russia. Djemal's account of the reforms proposed in 1913-1914, with many quotations from the Russian *Orange Book,* is a useful summary, from the Turkish point of view, of a somewhat obscure episode. He insists that he "had nothing to do with the deportations and Armenian massacres", and that he endeavored to assist the refugees. As a foil to the prevalent idea of Armenian martyrdom, he prints two Russian documents, the reports of a colonel on the retreat of the Russian army from the

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Caucasus front in 1918 and the subsequent fighting between Turks and Armenians. Contending that only 600,000 Armenians were killed, while 1,500,000 Turks lost their lives, he consoles himself with the reflection that the "hereditary enemy" of both—Tsardom—has been "vanquished and destroyed". He would doubtless have been pleased by the exploits of Mustafa Kemal Pasha, upon whom he pinned his hopes for the future of his country "within its natural frontiers".

BERNADOTTE E. SCHMITT
WESTERN RESERVE UNIVERSITY

A Critical Analysis of Industrial Pension Systems. By LUTHER CONANT, JR. New York, The Macmillan Company, 1922. —xii, 262 pp.

While appreciating that community pensions or high wages may possibly offer the better final solution to the problem of caring for those who have grown old in industrial service, the author believes that some present-day employers may find desirable the inauguration of private pension schemes and accordingly offers this discussion of the practical problems involved. After pointing out that such systems have little value either for disciplinary purposes or in reducing labor turnover—and if organized for these ends may, in fact, be sources of serious abuse justifying the usual opposition of organized labor—he concludes that an adequately planned and elastic pension scheme may be of real value in caring for superannuated employees and increasing plant efficiency by providing for the humane removal of those too old to keep the pace.

Unless, however, the scheme is well planned and carefully financed, it will be a source of more harm than good. It should be contractual rather than discretionary; contributory, unless the administrative burden is too great; actuarially sound, and justly administered. Furthermore it must be worked out with regard to special conditions existing in the individual plant.

As a possible alternative to maintenance of a private pension fund the author suggests the purchase of yearly "single premium" annuity policies for all employees. This plan has numerous advantages and eliminates many of the possibilities for abuse inherent in the usual plant pension system. It involves, of course, part payment to employees who do not grow old in the employer's service, but this the author thinks justified if one accepts the theory that pensions are essentially deferred pay. In any case, he argues, if the large majority

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of employers had such schemes in operation the cost would be equitably distributed. The weight of this last point might be questioned since adoption of annuity plans in the near future by the large majority of employers seems even more unlikely than the inauguration of community pensions, a development which the author considered, at the time he wrote of it, too distant to influence the decision of present-day employers. During the present year, however, several pioneer old-age pension laws have been enacted.

Cost estimates for various schemes and experience data from pension systems now functioning, as well as a tabular analysis of some ninety existing plans and a selected bibliography, add to the usefulness of the volume.

The book goes far towards providing for interested employers a source of practical information in readily accessible form. Arguments on both sides of debatable issues are fairly presented; dangerous practices and false hopes are foreseen and explained. From a scientific standpoint one might wish that conflicting arguments had been more completely analyzed in respect to their relative weight and importance and that greater space had been devoted to the more fundamental issues involved. On the whole, however, the book will fulfil its ostensible purpose.

JOHN B. ANDREWS

NEW YORK CITY

The Settlement Horizon: A National Estimate. By ROBERT A. WOODS and ALBERT J. KENNEDY. New York, Russell Sage Foundation, 1922.—vi, 499 pp.

The settlement has been fortunate in having brilliant interpreters both in Britain and in the United States. Canon and Mrs. Barnett in England, Jane Addams and Lillian Wald in the United States, have written books which have been widely read because of the compelling narratives they gave of their respective institutions. In this book we have a comprehensive history, an interpretation of the spirit and an estimate of the social significance of the movement. Written by Robert A. Woods, the first American resident at Toynbee Hall in London, who for thirty years has been in South End House, Boston, and his associate for the last fifteen years, Mr. Kennedy, the book represents the ripe thought of thirty years' experience. The authors have not depended upon their close contact with the settlement movement, but have devoted patient research to uncover the history of the movement in this country. The result is a unique combination of the

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historical development of settlements and a critical though sympathetic evaluation of the settlement as an experiment in social democracy.

No other book gives one such a vivid impression of the contribution of the settlement to almost every modern movement in what is known as social work and social reform. As one reads these pages and learns that the school garden, tenement-house reform, vocational education and vocational guidance, summer camps and day outings, playgrounds, health centers, visiting nursing, convalescent homes, community centers, community drama and pageants, arts for the common people, libraries for the tenement dwellers, community music, better sanitation, the fight against alcohol and prostitution, the fight against child labor and the protection of women in industry, the visiting housekeeper, juvenile courts and juvenile protective associations, the school visitor and Americanization—to name only a few of the modern movements for a better society—owe much to the experiments of settlements, he is prepared to understand something of the significance of the movement.

No less epoch-making is the spirit and method underlying the settlement. Originating in England as an attempt to bring together the educated men of the universities and the unprivileged classes of the slum districts of East London, in order that each might understand and appreciate the other better, and that through neighborly association each might help the other, it has continued to insist on that essentially democratic basis. It represents not a condescending uplift movement, but a sharing of life with life, that residents and associates and tenement dwellers might together find means to better through cooperative efforts the conditions of life under which both lived. Through the years since its beginning the settlement has made many adjustments, but the underlying motive has remained constant. It is still an experiment in the adjustment of social relations in neighborhoods by the cooperation of residents themselves.

Standing out with remarkable clearness, and of special interest to the present reviewer, is the fact that the settlement offers a remarkable laboratory for the study of the psychological reactions at the base of social relations, for an understanding of the forces which influence the formation and dissolution of social groups, for training in the technique of community organization, and for the acid test of theories of social progress. Here one comes to grips with the fundamental problems in community life. In the settlement the student is in actual touch with the operations in active form which make for social solidarity and social disintegration. If he can retain his faith in

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democracy here, it is safe anywhere. If those who have lived in the flux of life about settlements can still believe in the redemptive forces struggling for expression in the lives of the tenement dwellers, and in the capacity of American ideals to form a new earth in which dwelleth righteousness, then we need not despair of America. These pages reveal the rooted faith of those who have seen the results of their labors through thirty years. They also make clear that the writers have discarded some theories which they brought to their early work, but that the convictions they now hold are those which have survived the test of experience.

From the small beginnings of a third of a century ago the settlement movement has grown to number about five hundred in this country. Instead of the isolation characteristic of the early days, settlements are now federated in each city and also in a national federation with yearly meetings, at which are discussed methods and aims to be pursued amid the rapid changes of our highly dynamic civilization.

In spite of the fact that countless organizations have risen to take over many of the activities initiated by the settlements, the leaders still find that their task is not done; indeed, that their work has only discovered other problems to cope with which there are no other agencies. The book is to be commended to all those who wish to see how some of the perplexing problems of our city civilization have been attacked, and who wish to understand some of the fundamental principles of social work which have emerged from the hard school of settlement experience.

J. L. Gillin

The University of Wisconsin

Politics. By Frank Exline. New York, E. P. Dutton and Company, 1922.—xvi, 226 pp.

Mr. Exline has been impelled to his task by a high and generous motive. He has sought to formulate a solution of "the ultimate problem of political science" (on which, he says, the fate of civilization hinges) and thus reassure "the waiting and anxious world." There is something quite unique in his achievement; for he has devised political arrangements "which will automatically produce the best government possible in any given community." Many others have groped for the solution, but clumsily and in the wrong directions; for example, Mr. Penty, who would destroy all machines (that is, everything larger than a sewing machine) and go back to the Middle Ages; or Coun

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Korzybski, who would reach the manhood of humanity through the science and art of human engineering; or Miss Cora L. Williams, who would project us all into the fourth dimension. In reality the solution is much simpler than these enterprising inquirers supposed. Society is to be saved by a universal system of examinations.

It has been erroneously assumed that there are only three governmental powers. There must in future be a fourth power, the selective, which transcends the others in importance. "The omission of this *fourth power* from the organism of government, and the consequent failure of government to perform the selective function, is the *fatal defect* which is responsible for the universal and invariable failure of all forms of government, in all ages, and among all peoples." Mr. Exline describes in some detail how the selective power will operate; how the country will be divided into Departments and Regions and Districts, each with its appropriate board; how a Supreme Directorate (composed of eminent specialists in sociology, ethics, mathematics and other sciences) will control and coordinate the work of these boards; and how every member of the community will be assigned to his proper class, rank and grade. The final process will determine the right of appointment or succession to public offices and employments, including those now filled by election.

The reader may at first feel a little stifled by the atmosphere of forms and blanks and records. He may be repelled by the apparatus of efficiency that surrounds what Mr. Exline calls "the System." He may even suspect that systems, however cunningly devised, are not always proof against human frailties. But after all, though we may not like the first glimpse of it, Mr. Exline is offering us salvation, an escape from the tyranny of public opinion, of politics and the ballot. The ballot, he says, is "an unscientific, unintelligent, and utterly irrational way of making any selection or decision whatever" (p. 146). "Popular elections are . . . incompatible with intelligent and efficient government, and are condemned by the people themselves" (p. 224). "Democracy, in so far as it exists in fact, is anarchy; in so far as it exists only in name but not in fact, is a mere illusion; as a form of government, it is impossible" (p. 224). "The people themselves desire neither Democracy nor Popular Sovereignty; they desire efficient, wise and just government" (p. 224). This the System will give them.

The publishers are justified in describing the book as a remarkable one. It is remarkable quite aside from the regimentation of society which it proposes. For the past decade, and more, thoughtful ob-

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servers in Europe have suggested that democracy has reached its apogee, that the faith in popular government, which alone renders its persistence possible, is giving way to cynicism and disillusionment, and that the resolute minority are prepared, like Mussolini, to pass over "the prostrate, almost decomposed corpse of the goddess of liberty." Mr. Exline is not of effete Europe; he writes in Denver, Colorado. But in the central part of his book will be found an indictment of the democratic régime which for trenchant quality, vigor of phrase, and fearless conviction merits more than a passing glance. It is the work of an original—in places, critics might say, an eccentric—thinker; and yet of a man who has read widely and quite evidently familiarized himself with scientific as well as controversial literature.

E. M. SAIT
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Trusts in British Industry, 1914–21. A Study of Recent Developments in Business Organization. By J. MORGAN REES. London, P. S. King, 1922.—viii, 269 pp.

This volume is based in large measure upon the numerous government reports issued by the sub-committees of the Committee on Reconstruction, but the purpose of the volume is to urge the adoption of a thoroughgoing policy of state ownership and control. "State ownership of the primary industrial enterprises of power (coal, electricity, and oil) and transport (railways, airships, canals, docks, harbours, and shipping) is practicable and economically urgent, provided we ally to it democratic control. . . . Nationalization of banking is the *sine qua non* of the success of any scheme of State Ownership. Once these steps have been taken, a particular trust could be dealt with by price-fixing, control of capital issues, or by a costing scheme, leaving the trust to perform its services as at present, subject to these controls" (p. 252).

These conclusions in respect to policy, however, do not follow inevitably from the presentation in the text. The scope of the volume is so considerable that it is impossible to deal with any single industrial group at sufficient length to permit the presentation of the case with compelling finality. It is really unfortunate to introduce any suggestion of propaganda in so brief a statement, as it impairs the confidence of the reader, though the sketches of conditions in this volume are not significantly biased by the point of view of the author.

The volume will be useful as a brief description of the trust movement during a critical period. It is uneven, because some branches

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of industry present more complex problems than others, though all are accorded equal space in the text. The statement of the difficulties of the coal trade is particularly unsatisfactory, on account of extreme compression. Two chapters are given to the chemical trades, margarine and soap, salt, yeast, dyes, explosives, quinine and aspirin. The space is largely given to soaps and dyes, so that the text is substantial and complete. The chapters on the iron trades and the textiles are adequate.

The committee reports exhibit genuine concern at the growth of the trust movement, but the domination of the entire industrial community by trusts is regarded by them to be no more than an impending danger. Mr. Rees believes that this degree of trust control is an accomplished fact, and proposes to prove his case. It is clear that there has been a great increase in the number of combinations and of their power, but one is prone to misjudge the importance of the omissions in running through a list of combinations that includes some cases in so many of the primary industrial groups. Even if all the branches of industry directly enumerated in the text were actually dominated by trusts, a large section of British trade remains outside this list: most of the textiles, sewing cotton excepted; leather, and its manufactures; lumber, and its products; rubber; and pottery. The more delicate problem, however, consists in the determination of the extent to which competition is suppressed in the iron trade and in the branches of the meat trade influenced by the great packers of the United States. Competition may be modified in many respects without being suppressed entirely as a regulative factor in industry, and at the present juncture there is real danger of misinterpreting the changes that are taking place in business practice and public policy. Brief description of the combinations and associations in an industry does not afford adequate basis for a judgment of competitive conditions.

Mr. Rees views the monopolistic combinations which he finds, with equanimity; at times, even with enthusiasm. This development of monopolies is in his eyes an inevitable prelude to state control and ownership. But there are moments of misgiving. The influence of big business upon Parliament is a source of concern to him. He feels that the great moneyed interests have been able to thwart imperative legislative reforms (pp. 47, 53). "The Government (composed as it is today of the moneyed classes) cannot act except in accordance with the money-made Trusts' advice" (p. 245). There is much to lend color to such apprehensions. Recommendations of committees are not accepted. Regulative legislation is difficult to enforce, because no

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authority has been given to enable the Board of Trade to secure adequate knowledge of the financial operations of the companies controlled. Methods of cost accounting adopted by many firms are unsound and unstandardized. The complaints are familiar to any student of trust regulation in the United States, and Mr. Rees refers feelingly to our larger experience in these matters.

The government encounters so many obvious difficulties in carrying out any policy of regulation, that one wonders how it is possible for the author to preserve such confidence in price-fixing, costing, and direct ownership. One wonders if it is not a becoming humility that is shown by the committees criticized by Mr. Rees for timidity in stating conclusions and in sketching policies.

There is evidence of hasty writing in many passages, and it may be that more leisurely preparation of the volume would have led to qualification of the overconfident passages on general policy. These blemishes do not, however, greatly affect the usefulness of the volume, which will be welcome to all who are concerned with this important subject.

ABBOTT PAYSON USHER

HARVARD UNIVERSITY

The British Coal-Mining Industry During the War. By SIR R. A. S. REDMAYNE. Economic and Social History of the War, British Series. Published on behalf of the Carnegie Endowment for International Peace. Oxford, The Clarendon Press, 1923.—xvi, 348 pp.

This early volume in the British series of studies published under the Carnegie Endowment is of good augury. The studies are designed to constitute a semi-official history of their respective problems, making available, through the personal knowledge of the authors, material that would not be accessible to academic writers for a considerable period of time. The present volume is an excellent testimonial to the wisdom of the policy that has been adopted. The author was most happily chosen. Official duties have given him an unusual opportunity to gain insight into this industry, both before and during the war. As Chief Inspector of Mines, his experience made him the natural choice for the chairmanship of the Coal Mining Organization Committee appointed in February, 1915. Positions on other committees followed in due course. His appointment as Technical Advisor to the Controller came naturally upon the establishment of comprehensive government control. Positions upon the commissions of inquiry that

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followed the armistice were an inevitable consequence of his accumulated experience.

The text exhibits the fullness of information that one would expect, but the magnitude of the subject has made it impossible to deal at length with controversial matter or to include much documentary material. Some documents are given in text and appendices that can hardly be accessible elsewhere, but it is the purpose of the volume to give a connected narrative of events rather than to publish documents or comment at length upon particular incidents. The main body of the text seldom reveals the personal views of the author, but a summary at the close contains many comments on the events and policies that are exceedingly helpful. He was, and is, opposed to government control of coal mining in principle. War-time control he regards as an evil that became unavoidable: but, in his view, the labor trouble in South Wales was the only element even in the situation created by the war emergency that made comprehensive government control indispensable. But for those difficulties, the various committees of 1915 could have dealt with the problems of the war. Labor unrest thus occupies a conspicuous place in the general emergency. It was most unfortunate that new questions affecting the details of the wage agreements were brought up at this particular time. The administration was obliged to handle the miners tenderly, but one surmises that official patience was, at times, sorely tried. The program adopted by the miners in 1918 is judged by the author as utterly impractical, and, as this was the real issue throughout the troubles of 1919 and 1920, it is evident that he believes that their demands were unwarranted. Occasional comments suggest that the author would have shown more firmness in dealing with the miners than was shown by the government, but every judgment affecting the miners shows notable charity and forbearance.

Government interference with the industry was first made necessary by the reduction of output that followed the first calls for volunteers. Nineteen per cent of the total personnel enlisted, and it was estimated that forty per cent of men of military age enrolled with the colors. Before precise details were known, the government became concerned and a committee of inquiry was appointed February 23, 1915, under the title, the Coal Mining Organization Committee. Their first campaign was directed towards the reduction of irregular attendance of miners, utilization of certain holidays as working days, dilution of the personnel engaged in surface work, and postponement of development work not likely to be immediately productive.

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The urgency of control of exports soon required the appointment of an additional committee, the Coal Exports Committee, April 29, 1915. It was essential to maintain exports to the Allies in order to meet their military requirements; equally essential to provide for neutrals, because some of them were furnishing commodities important for war work and in all cases the credits from coal played an important part in international balances. The volume of trade could be maintained only by exercise of the greatest of care, and, in the case of neutrals, it was necessary to supervise the ultimate disposition made of the coal. Credit needs induced the government to impose no restrictions on the prices to be charged for export coal, so that domestic and export prices ceased to move in sympathy when the regulation of domestic prices began under the act of July, 1915. The Allies became restive under this treatment and important concessions were made to them.

Rationing of general consumption became essential, and in January, 1916, the government established a Central Coal and Coke Supplies Committee with eleven district committees. The author feels that insufficient authority was granted: "economy was preached, but not practised; unessential industries were not rationed." There was some discussion of comprehensive government control as early as September 1915, but the committees named were able to meet the requirements of the moment.

The government assumed control of the South Wales field October 29, 1916, on account of the labor troubles already mentioned. Regulation of a single field apart from the rest was impracticable as a permanent policy, so that the generalization of complete control was inevitable. The primary motive of the government was to minimize labor troubles. There was much unrest attributable to suspicions of profiteering. This was of course overcome by the restrictions of profits that were a feature of government control. Some difficulties remained, on account of the rise in the cost of living. Strikes were not entirely avoided, and the government was obliged to accede to increases in wages which were not in all cases justified by conditions. The situation was highly artificial. The price of domestic coal was limited by statute, so that most of the fields were not able to make any use of the older methods of adjusting wage rates. Export prices were high, and as some fields worked primarily for export there was a disposition to demand increases proportionate to the price of export coal. It is the judgment of the author that control accomplished much in adjusting the relations of operators and miners under most trying conditions, but he does not feel that any part of the

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experience reflects much credit upon government control as a regular method of operation.

Among the interesting constructive tasks of the control were the transport-of-coal order and arrangements made to increase the mobility of labor. To avoid the waste of cross hauls of coal the country was districted and movements restricted so that the deficiencies of each district might be met from not more than three adjoining areas favorably located with reference to the general flow of traffic. Qualifications were necessary in some cases, but large economies were effected. Pooling of cars was never effectively carried out. By reason of the varying cargo space, some of the mines concerned with export trade were not steadily occupied. Hopes were entertained of arranging for the transfer of surplus labor to other districts; but, though it was possible to complete arrangements after protracted negotiations, the scheme was not brought into use by the time of the armistice.

Despite great efforts of the administration, production fell off steadily, so that conditions were extremely delicate in July and August, 1918. The armistice relieved some pressure, as it was then possible to release many men from military duty, but the winter of 1918–19 was one of difficulty.

The narrative is not sufficiently full to afford a complete understanding of the years 1919–21, but the events of this troubled period are sketched in outline, their relation to the war period is made clear, and many of the issues in the controversy explained.

Appendices give the full text of various administrative documents and memoranda together with the text of some of the statutes of the period.

ABBOTT PAYSON USHER

HARVARD UNIVERSITY

Forty Years of Diplomacy. By BARON ROSEN. New York, Alfred A. Knopf, 1922.—Two volumes, 315, 309 pp.

Baron Rosen belonged to that group of minor prophets who foresaw the Great War and gave warnings which were ignored in the highest quarters. A man of conservative tradition and temperament, he was forced to carry out or to observe policies which led straight to revolution, to the destruction of the social order dear to his heart, and to the international humiliation and isolation of his country. He was in no way personally responsible for the catastrophe, but his very detachment enabled him the better to penetrate its causes, and he has thrown

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upon Russian statecraft something of the same lurid light that Baron von Eckardstein has turned on German diplomacy. Revelations of this kind by professional diplomatists are of the highest value not only for the historian, but for all who are striving for a new order in international affairs; in this case there is the additional charm of the author's easy mastery of the English language and his broad humanitarianism.

Baron Rosen entered the Russian diplomatic service in the early seventies of the last century, and after holding posts in Japan, the United States, Mexico and Serbia, he was appointed minister at Tokio in 1897. Although a believer in Russia's cultural mission in Asia, he was utterly opposed to the policy of reckless adventure—the end of which he foresaw—in Manchuria and Korea. His advice to compromise with Japan was rejected by the tsar, the foreign office, and the military alike, and he was recalled in 1900, only to be sent back in 1903 when a rupture had become almost inevitable. Rosen's position can be gauged from a remark of the tsar that "he has always reported the truth, but what he wrote did not always please". He defends Admiral Alexeieff from the charge of desiring war, and thinks that the tsar's personal promise to accept a protectorate over Korea was perhaps the deciding factor. Rosen's experiences in the Far East showed him the lack of coordination between the various government departments, as well as the incapacity of Russia for making war on a grand scale, and he was henceforth an even more ardent advocate of a policy of peace.

In spite of his success in helping negotiate the Peace of Portsmouth, he was, after a brief tenure of the embassy in Washington, kicked upstairs by being appointed to the Council of the Empire, where his influence proved to be *nil;* he had lived too long abroad, and was of too reasonable a temperament to play the game of Russian domestic politics in the storm and stress of revolution. His great intelligence made him appreciate the feebleness, the tyranny, and the short-sightedness of the old bureaucracy, and hence he was in favor of constitutional government. But he was equally convinced that the *intelligentzia*, because of the gulf which separated them from the peasantry, were dangerous doctrinaires, and he had no confidence in the Cadets. He seems to have pinned his hopes of reform upon Witte, who was discredited with all parties, and on Stolypin. After the latter's assassination had left the ship of state almost rudderless, Rosen was a lonely figure whose suggestions were often approved in theory and ignored in practice. Many of his criticisms of the men and measures of the pre-

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war period read today like elementary truths, but he was clearly a fish out of water.

What worried him most was the foreign policy inaugurated by Isvolsky and Sazonoff, whose orientation was as "European" as his own was "Asiatic". He believed that Russia had reached the limit of her expansion in Europe, where she possessed no cultural mission; that her "pretensions" in the West rested on no foundation either of justice or of real interests, and that Pan-Slavism was a dangerous myth exploited by a handful of *intelligentzia* and militarists; and that the "Straits of the Bosphorus and the Dardanelles can just as little be considered to represent the key to our house as could the strait of the Sound giving access to the Baltic Sea from the North Sea or German Ocean". Russia's future, he held, lay in the development of her Central Asian and Siberian territories. A renunciation of Near-Eastern ambitions would make Russia once more, as she had been in the time of Alexander III, the arbiter between France and Germany; an active Balkan policy meant, sooner or later, war with Germany, and war meant, in all probability, defeat, and in any case, revolution. The French alliance had involved Russia in the eternal struggle between Gaul and Teuton, and by sealing the division of Europe in two rival camps had made a general war inevitable. These views were embodied in a memorandum sent to the tsar and the government in 1913, but, of course, they got no hearing, although publication of part of the memorandum caused some commotion.

The account of the Russian mobilization in July, 1914, based on information received at the time from a member of the government and on Rosen's correspondence, tallies, except on one point, with what is known from other sources. Against the advice of Goremykin, the prime minister, the tsar was persuaded on July 29 to order the general mobilization, but late that evening he countermanded it, substituting for it a partial mobilization. Rosen's statement that the tsar then allowed himself to be persuaded over the telephone by the chief of the general staff to let the general mobilization proceed is, according to the latest information, incorrect; nor did the general disobey the tsar. The order for partial mobilization was actually issued that night, and that for general mobilization held up for twenty-four hours.

The war come, Rosen's only thought was to bring it to an end, by a general peace, before it could be overtaken by revolution. He thinks that the announcement by General Trepoff late in 1916 that Russia was fighting for Constantinople and the reunion of Poland was the signal for the war-weary people to rise. His experiences in March,

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1917, will help correct some current views about the meaning of this phase of the revolution. After the Bolshevik upheaval, he escaped from Petrograd, and ultimately reached America, for which he had cherished a life-long and enthusiastic admiration. Here he intended, as a "proletarian", to gain his living by his pen, and he published his reminiscences in a popular magazine. Unfortunately, he was knocked down by a taxicab and died as a result, before he could revise the articles for book-form. So a few repetitions and inaccuracies may be forgiven. His book will remain the monument of a wise and gifted man who, if he did not fully grasp the meaning of the revolutionary movement which has overwhelmed his country, has drawn a convincing picture of the chaos preceding the war.

BERNADOTTE E. SCHMITT

WESTERN RESERVE UNIVERSITY

Reparations, Trade and Foreign Exchange. By L. L. B. ANGAS. London, P. S. King and Son, Ltd.. 1922.—351 pp.

It goes without saying that everybody has been interested in the reparations question and has tried to arrive at some conclusion as to whether the Germans could pay and what effect the payment would have on international economic relations. Few people, however, have arrived at conclusions to which they could stanchly adhere because of the amazing complexity of the questions and of the multiplicity of conflicting assertions on the part of alleged experts. Hence, an attempt to set forth systematically and clearly the various phases of the problem, the consideration of which is essential to a reasoned, as distinct from an emotional, conclusion, is greatly to be welcomed.

The book under review constitutes such an attempt. Its author is obviously a special student of the subject of money, credit, etc., and knows well, on the whole, whereof he speaks. Yet his treatment throughout is purely deductive, in good old classical style, and as it is almost devoid of any historical or practical examples and illustrations its perusal leaves one with the sense of unreality and vagueness that often characterizes narrowly deductive discussions. Occasionally also there are assumptions, the evidence in support of which one would like independently to examine, even though one were not prepared to stigmatize the assumptions as false or doubtful. Therefore while it may be whole-heartedly conceded that Mr. Angas' book goes far toward meeting a real need, it still falls far short of completely satisfying such need.

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While Mr. Angas speaks of "reparations" in his title, in his minor subdivisions and throughout his discussion he scorns circumlocution and speaks boldly of the "indemnity". He divides his book into two parts in which he considers respectively the economic and the monetary aspects of the indemnity.

In Part I his thesis is, that under a system based on division of labor and exchange, production is in anticipation of demand and that, therefore, an unbalanced transfer of a large amount of wealth from one country to another is bound to result for the latter in idle machinery and unemployment. In other words, looking at the payment of the indemnity from the English point of view, he concludes (p. 109) that "whereas it is meant to benefit the English it harms them; that whereas the indemnity aims at economic justice it causes injustice." What should be done, Mr. Angas thinks, is to have the Germans build up the capital equipment of the newer, undeveloped countries like Africa whose production will thereby be expanded and whose demand for the products of the older countries will thus be increased.

As Mr. Angas himself states it, the gist of his argument in the second part of his book, dealing with the monetary aspects of the indemnity, is that "the indemnity in its present form will cause the external prices of nearly all foreign currencies to fall below their purchasing power parities. This will lead to dumping both in England and abroad. British trade will be paralyzed" (p. 160). Mr. Angas also goes on to show that through three-cornered exchange operations other countries besides England will have their foreign trade grievously injured.

In his discussion of the monetary implications of the indemnity payments Mr. Angas supplies much useful information as to the working of the foreign exchanges and as to the sources of the supplies of foreign currencies which the German government has had to accumulate in order to effect the required payments. He shows how thus far the indemnity payments have mostly been made by foreign speculators in German marks. He absolves the German government from the charge that it deliberately plotted the ruin of the mark to confound its enemies and to escape the payment of its obligations. His argument is, that depreciation of the mark began with internal budget deficits and then that this very depreciation necessitated further inflation in the attempt to get foreign speculators to buy marks in exchange for their own currency. He is led to accept, and in his acceptance strongly emphasizes the consequences of, the theory that progressive depreciation of the mark leads to wide-spread "dumping" of German

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goods. This is the weakest point in his whole argument because he fails to allow for the effect of depreciation on German imports. Before they can export much, Germans have to import food and raw material, and progressive depreciation of the mark means for them advancing costs of these fundamental imports. A weak point is also to be found in Mr. Angas' assumption that the effect of an unbalanced importation of particular goods will spread to all industries through the curtailment of credit extended by bankers, because of their loss of confidence in the industries immediately and initially concerned (pp. 257, 262 *et al.*). Such curtailment of credit cannot be unqualifiedly postulated.

A helpful discussion of Germany's capacity to pay is presented in Part II (pp. 255–262). Here Mr. Angas's conclusion can be summed up in the following quotation: "It is not Germany's capacity to pay that we doubt, but the capacity of the Reichstag to frame an effective tax and currency system and the capacity of England and the Allies to receive" (p. 261).

Naturally, a study of the kind essayed by Mr. Angas in this book touches many questions of economic theory. Hence, we find Mr. Angus wandering off into numerous digressions in order to present his own conceptions of the basic theory involved. With these it is not necessary to deal in a review. Suffice it, however, to warn the prospective reader that a number of contentious questions will be encountered. In this connection it is interesting to notice that Mr. Angas promises a book on the Quantity Theory of Money. We may hope that while the new book may have most of the interesting qualities of the one under review, it may be supplied also with more factual and illustrative matter, and that it may be somewhat more carefully organized to avoid needless repetition and the suggestion of loose-jointedness.

E. E. AGGER

COLUMBIA UNIVERSITY

The Immigrant's Day in Court. By KATE CLAGHORN. New York, Harper and Brothers, 1923.—xvii, 546 pp.

What the normal, non-criminal immigrant really wants is justice in the practical sense as distinguished from technical justice: that is, the right solution for the particular case even though it may run contrary to rules contrived to meet cases of that kind in general.

The above sentence seems to the reviewer to be the keynote of the thorough and well-considered discussion of the immigrant in his rela-

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tion to American law and legal procedure, in *The Immigrant's Day in Court*. The first three chapters analyze the processes which bring the immigrant into contact with the law. There are money difficulties, ranging from falling into the hands of dishonest steamship agents, cabmen and hotel men when traveling, to wage and industrial accident claims, banking, the preparation of legal papers, and purchase of property; family troubles arising in the differing customs of marriage and social standards in the home country and in America and in prolonged separation of men from their families; and crimes of every degree of seriousness, but particularly centering around physical violence. The discussion of the immigrant's sex problems in America is particularly illuminating.

The next four chapters emphasize the treatment of the immigrant by our minor courts. "These inferior courts represent in a large measure the vital point of contact of the law with the common people". "The immigrant goes to the minor court from the neighborhood to have his troubles adjusted and soon goes back to the neighborhood to take with him his impressions of American justice and imparts them to his friends." Pertinently the author quotes Charles E. Hughes: "If our Bar Association could create a sentiment which would demand that in all of our cities the police courts and minor courts should fairly represent the people as the embodiment of the spirit of justice, our problems would be more than one half solved." Specifically and concretely, the author points out in these chapters the vast miscarriage of justice in immigrant cases in our minor courts. Incompetent or corrupt lawyers, interpreters and judges play a large part in the matter. The inexperience of the immigrant in our legal procedure makes him peculiarly helpless. The fee system, which in some states enables the justice of the peace to profit in proportion to conviction, the activities of runners and interpreters, and the prejudices which cause many judges to mete out injustice rather than justice, are all important factors in the situation.

Chapter seven, which discusses the conduct of the court in handling strike cases will be of special value to those interested in labor problems. Extensive quotations from statements of judges with respect to their policies and theories in the administration of the law in picketing cases give the chapter an especial interest. The description of the methods of police and military officials in handling strikes adds material evidence on this subject. The discussion throughout the entire seven chapters is particularly valuable because the author has at every step in the argument cited illustrations of both good and bad.

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Chapters eight to ten summarize the special provisions of our laws with respect to aliens and contain an illuminating discussion of the administration of our immigration law, including a careful study of the deportations of 1919 and 1920. The work closes with a constructive discussion of legal aid in many states and cities. This final chapter summarizes the policies which have been of practical value in adjusting the immigrant to our legal system.

The volume is a distinct and valuable contribution to our immigration literature and should be familiar to all who are interested in the constructive assimilation of our immigrant population.

D. D. LESCOHIER

UNIVERSITY OF WISCONSIN

The Foreign Relations of China: A History and a Survey. By MINGCHIEN JOSHUA BAU. Revised and Enlarged Edition. New York, Fleming H. Revell Company, 1922.—xii, 541 pp.

Dr. Bau has produced an excellent hand-book and introduction to the study of MacMurray's *Treaties and Agreements*. As a reference book for names and dates, and as a digest of the various agreements which have determined the course of China's foreign relations in the last quarter century, it is for the student a great time-saver. Such a book is needed and there is no other covering the ground. The book is well organized, meticulous and accurate. One never ceases to wonder how these Chinese students are able in such brief periods to acquire such a mastery of English language and composition, for, be it noted as one of the distinctions of the book, this is the product of a Chinese student rather than of a foreign commentator.

Having thus expressed the most sincere gratitude for a work which we have found to be an indispensable addition to a working library on the Far East, we trust that it will not appear unfair to criticize Dr. Bau for what he did not write.

Here is a trained student of evident exceptional ability who in addition to an extensive knowledge of the principles of international law and a familiarity with the history of western nations, possesses, or should possess, the Chinese point of view, and certainly has that enviable gift which most students lack, a knowledge of the Chinese language and of the genius of the race. Such a student should be admirably qualified to interpret the facts and thus to contribute to understanding. It is regrettable to record that Dr. Bau has made no original contribution to our knowledge of the subject, and that there is not a page in his book which could not have been written by any non-

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Chinese student of equal ability and training. So obvious is this deficiency that one cannot refrain from raising the question whether the rigorous scholastic training to which the author has submitted in the United States has not enveloped and smothered a racial and linguistic birthright.

In the second place the book is deficient in historical sense and insight. The texts of treaties and agreements have been boiled down and recorded, but they have not been explained. After reading the book the student is still in the dark as to why China has come to such a pass. There is no intimation of the relationship of the economic history of China, and of the world, to the foreign relations of the Republic. Dr. Bau dismisses the period before 1900 with a scant seventy-five pages, and yet that period in China's history was fully as important in determining the present status of foreign relations as it was in the case of the United States. That Dr. Bau did not familiarize himself with the original sources of information for this period is evident from the uncritical and undiscriminating use which he makes of secondary sources. He has attempted to write contemporary history with too little grasp of the past and then meets the embarrassment of finding that the contemporary sources of authentic information do not extend much beyond the texts of treaties and agreements. Thus cut off both in the past and in the present, Dr. Bau has produced a handbook for the student of international law, a fact-book of exceptional utility and value, but he has not written history.

TYLER DENNETT

WASHINGTON, D. C.

The Third Winter of Unemployment. The Report of an Enquiry Undertaken in the Autumn of 1922 by a Group of English Publicists. London, P. S. King and Son, Ltd., 1922.—viii, 350 pp.

Cycles of Unemployment in the United States, 1903–1922. By WILLIAM A. BERRIDGE. Published for the Pollak Foundation for Economic Research. Boston and New York, Houghton Mifflin Company, 1923.—x, 88 pp.

The years 1921 and 1922 were the worst in the records of unemployment ever experienced by the United Kingdom. Even though we may know that England's problem has been grave, it is somewhat of a shock to be told that in the more distressed trades two years' continuous unemployment has not been uncommon, and that in all, over a fifth of the industrial power of England is going to waste. That there

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has been great distress among the workers is obvious, and that the amount of money expended by public authorities in assisting the unemployed has been unprecedented is only the natural consequence. But this at once raises certain inquiries. What have been the effects of such giving? To what extent have pre-war theories that government relief to the able-bodied demoralizes the recipients been substantiated? These are among the questions behind an investigation undertaken in the autumn of 1922 by a group of English publicists of such diverse economic experience and differing political opinions as J. J. Astor, A. L. Bowley, B. Seebohm Rowntree, Henry Clay, Robert Grant, W. T. Layton, P. J. Pybus, George Schuster and F. D. Stuart. It is in answering these questions that the investigation makes a distinctive contribution.

The investigators admit that there is nothing final in judgments on a problem of this kind. But they feel that the following conclusions are justified, and they present the reports on which they are based.

(1) The worst effects of unemployment in the way of privation and physical deterioration have been prevented by the relief measures. Health does not seem to have suffered. In Birmingham, one of the areas worst affected by unemployment, the health of the city is said to be better than it has ever been before! The reason given for this is that the ill-paid, irregularly employed workers, who were first to feel the effects of trade depressions before the war, have gained most from the unemployment-relief provisions, and have been insured at least a regular supply of food.

(2) The chief incidence of distress is on a different section of the wage-earning classes from that on which it fell in pre-war depressions. The class that was worst off before the war is now provided for by unemployment relief, while the better paid and more skilled are feeling an unprecedented strain. The relief available to poorer classes is available also to the better-paid, but in the case of the latter the insurance benefits represent a much smaller proportion of their normal incomes. Their standard of living is thus much harder to maintain. They show greater reluctance in supplementing the insurance benefit by securing Poor Law relief. They are more specialized and relief work offers a less suitable alternative. It thus results that "it is among the workers most distinguished for their skill, responsibility, foresight and thrift, that distress is greatest."

(3) The demoralization that, according to pre-war theories, would have been expected to result from the provision for maintenance without work has not yet shown itself. There is, of course, no suitable

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objective test of demoralization. If unwillingness to work where work is offered, or a preferance for doles to honest earning, is used as a test, there is little evidence to prove such demoralization. The report makes it clear that: "The crude idea that the relief is the demoralizing influence in unemployment receives no support from our inquiry. What is demoralizing in unemployment—the enforced idleness, the loss of occupation and the denial of the opportunity of useful work—is having its influence. . . . Up to the present the greater provision of relief has acted rather as a support to self-respect and a safeguard against demoralization. Maintenance without employment may be demoralizing, but unemployment without maintenance is much more certain in its demoralizing effect." Only one exception is made to this conclusion, the young men who spent in the army the years that the older men spent in learning their trade and becoming habituated to industry. These young men are in serious danger of permanent demoralization.

These conclusions are made only with respect to the experience thus far. "The great discovery that has been made is that a system of allowances by which the worst effects of distress are prevented does not necessarily involve widespread demoralization. As yet, however, we are only on the threshold of the third winter. What effect a third, and perhaps a fourth and fifth winter might have, it is impossible to foresee" (p. 76). Methods of relief, the effects of which have been wholly good so far, may become dangerous if the present abnormal unemployment continues.

The whole trend of American literature on unemployment is to find a way by which such unemployment may be prevented. The business cycle has become the main object of interest in discussions of this problem. About three years ago Mr. Berridge, then an instructor and graduate student at Harvard, conceived the idea of investigating the relation of employment statistics to other economic phenomena. This idea cannot be compared to the discovery of an oil well, for none of his results gushed without effort, but rather to a source of radium ore from which the valuable element could be extracted. He first submitted his results in essay form to the Pollak Foundation, in 1921, in a contest against two hundred other entrants, and the three judges, Wallace B. Donham, Irving Fisher and Wesley C. Mitchell, unanimously awarded him the first prize of one thousand dollars. After the close of the prize contest he was permitted to prepare a contribution for publication in the *Harvard Review of Economic Statistics*, where it attracted wide attention. Another article then appeared in the

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Journal of the American Statistical Association, and a shorter version in the recent volume on *Business Cycles and Unemployment*, the report of the President's Unemployment Conference. Now it appears again, as a separate monograph published by the Pollak Foundation itself, which deserves praise for making the material available earlier through other sources. That is not the whole story. The essay was put to use as the thesis for a Ph. D. degree, and also played a part in converting Mr. Berridge's title to Assistant Professor at Brown University. In the short space of time involved Dr. Berridge has established himself as one of the best known of the younger statisticians in the country.

Those who have been interested in the subject of unemployment, the business cycle or statistics have, therefore, already had occasion to know of Dr. Berridge's work. The present volume will add little, if anything to their knowledge. The monograph is intended for wider distribution than former presentations, and the attempt has been made to eliminate the inevitable technical difficulties which the scientific treatment of a statistical subject involves, so that these difficulties will not stand in the way of any intelligent reader. The reader who does not have a course in statistics as a background will not be aided much by the explanation that "correlation coefficients are simply numbers derived from all the items of two compared series by a mathematical formula so contrived that +100 per cent, or +1.00, represents perfect agreement . . . etc.," while the reader who does have a knowledge of statistics will derive greater satisfaction from the more complete notes and better graphs of the previous publications mentioned. But the main conclusions are nevertheless very clearly presented and the book may attract readers who would be repelled by the more technical monographs.

The purpose of Dr. Berridge's study is to trace the relation between American figures for unemployment and the course of the business cycle, and to construct a reliable continuous index of employment that will reflect changes in the relative intensity of employment between any two points of time. The various sources of employment are considered, and the conclusion is reached that the most reliable current measure of the general employment cycle in the United States that can readily be constructed is one based on the average of the employment indexes of the United States Bureau of Labor Statistics and the New York Industrial Commission, corrected for seasonal and other variations (p. 40). This monthly index of employment is then compared with other series representing the volume of production or business,

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and the relationships of employment to such other series leads the author to assert that we have "conclusive evidence . . . that employment yields a highly satisfactory index of industrial cycles before and since the War" (p. 67). It is also maintained that the employment index "probably forecasts by a few months the commercial buying power of those large numbers of our people whose earnings are in the form of industrial wages" (pp. 70–1).

If this employment index can yield such significant results, there is every reason why figures on employment should be of much greater interest in the future to various groups of citizens. The social worker can anticipate heavy burdens on philanthropic funds. The business man can foresee the condition of the labor market and can prepare for changes in the buying power. The public-spirited citizen and government agencies can anticipate periods of unemployment, crime, migration and other phenomena with which the business cycle is related. If we can find a true barometer and forecaster in the employment index, or any other index, we shall have made the first step in overcoming the main effects of the fluctuations of business.

H. FELDMAN

DARTMOUTH COLLEGE

The Constitution of Canada. By W. P. M. KENNEDY. New York, Oxford University Press, American Branch, 1922.—xx, 519 pp.

Students of Canadian constitutional history have reason to be grateful to Professor Kennedy of the University of Toronto for his useful *Documents of the Canadian Constitution,* published in 1918. This he has now followed with a constitutional history of Canada which should be of interest to others than Canadians. There is no better way of gaining an insight into the evolution of that unique political association known as the British Commonwealth of Nations than by a study of the Canadian constitution in its historical development. The provinces now united in the Dominion of Canada were the first British colonies to attain responsible government, the first to form a federal union, the first to acquire a sense of nationality. Canada is the premier British dominion, the embodiment, *par excellence*, of that much-used though officially undefined term, "dominion status". The Irish Agreement of 1921, incorporated in the constitution of the Irish Free state, provides that "the law, practice and constitutional usage governing the relationship of the Crown or the representative of the Crown

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and of the Imperial Parliament to the Dominion of Canada shall govern their relationship to the Irish Free State." The exemplary character of Canada's dominionhood has thus been formally recognized.

Professor Kennedy does not conceive of the "constitution of Canada" as confined to the British North America Act of 1867 and the law and usage that have grown up under it. He uses the expression as covering the constitutional arrangements that have prevailed in Canada from the days when it was a French province to the present, and eighteen of his twenty-five chapters have to do with what lies the other side of Confederation. Nor does he take a restricted view of the scope of constitutional history. He would not agree with Maitland that it should be a history "not of parties, but of institutions, not of struggles, but of results." Not, of course, that he leaves out institutions and results, but that he tells us much of parties and struggles, of personalities and public opinion. His aim, as stated by himself, has been "to find in the facts the complex characters and divers conditions out of which they grew; to seek the causes which gave energy and purpose to the constitutional evolution; to animate dead documents with something of the vital energy which called them into being"—a laudable object, but perhaps an over-extensive one for a writer who sets himself to relate the history of the Canadian constitution in a single volume. Some erroneous statements are made and some false impressions conveyed, but we must not be hypercritical of what is on the whole the most satisfactory book to be had on its subject.

R. L. Schuyler

Americans in Eastern Asia: A Critical Study of the Policy of the United States With Reference to China, Japan and Korea in the 19th Century. By Tyler Dennett. New York, The Macmillan Company, 1922.—xvi, 725 pp.

We have had a good many volumes which have narrated part of the history of American intercourse with the Far East. Foster's *American Diplomacy in the Orient*, Coolidge's *Chinese Immigration*, Treat's *Early Diplomatic Relations of the United States and Japan*, Williams' *Anson Burlingame and the First Chinese Mission*, the reviewer's *History of Early Relations Between United States and China, 1784–1844* and several other works have taken up particular phases or periods of the field. Never before, however, has any one so well told so large a part of the story or shown its unity. Even the present volume is not complete, for it confines its attention almost exclusively to diplomatic

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relations and to the period before 1901. In this field the author has delved most painstakingly. He has ransacked the archives in Washington and has read most of the voluminous manuscript and printed material that relates to his subject. He has not, however, cluttered his pages with the scaffolding of scholarship, but has put his findings into clear and readable form. He gives ample references to his authorities and a full bibliography for those who are interested in such matters, but his chief concern is his narrative, and with this he has succeeded surprisingly well, especially in the light of the many and apparently often unrelated events of the period to which he has devoted himself.

Mr. Dennett's main thesis is that there is real unity in American foreign policy in the Far East. This region, he believes, must be viewed as a whole, for it has been as a whole that the State Department has usually thought of it: to take up our policy in Japan as something distinct from that in China and in Korea is to be guilty of an unnatural divorce. He believes that there has been, in the main, continuity in our policy. John Hay, far from initiating an entirely new method when he circulated his famous Open Door notes, was simply adding his contribution to traditions that date back to Caleb Cushing and our first treaty with China. This policy rests in the main upon two principles, that of the "most favored nation clause" and of cooperation. The "most favored nation clause" is the basis for our Open Door policy and for our insistence upon the territorial integrity of China. Our chief purpose in advocating these has not been altruism, Mr. Dennett declares—although this may have entered in as a secondary motive—but self-interest. Only by equality of economic opportunity and the continued independence of China could we be guaranteed what we considered to be our rights in that land. For the most part we have depended for the conservation of these rights not upon force, the acquisition of naval bases, or single-handed action, but upon peaceful cooperation with other powers. We have not been as consistent in adhering to the method of cooperation as we have to the principle of the most favored nation. We have more than once acted alone, and at least once, during the McKinley administration, we succumbed to the temptation to acquire a base for operation in Far-Eastern waters, the Philippine Islands. On the whole, however, we have not sought territory, nor have we acted alone. We have seldom resorted to force, and when we have used it, it has almost always been in conjunction with other nations.

We owe our Far-Eastern policy, Mr. Dennett believes, not to any one man, nor even to any two or three men. To it have contributed

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secretaries of state, naval officers, and diplomats. Congress has had little or no part in it. Occasionally there have been those in high places who would have had us depart from it, as when Peter Parker, Commissioner to China, wished us to annex Formosa. For the most part, however, we have adhered to our general policy with singular consistency.

A question which Mr. Dennett does not discuss, or at least at any length, is why so distinctive a policy should have developed and should have been pursued, often and perhaps usually without any consciousness of continuity. Was it the difficulty of departing from precedent once established; was it the nature of our contracts with the Far East and our unwillingness to be enmeshed in entangling alliances; was it naval and military impotence; or was it a certain idealistic national temperament which displayed itself in successive generations of diplomats and statesmen? It may have been a combination of all of these, the influence of each varying at different times. When one remembers the work of men like Townsend Harris, Anson Burlingame and John Hay, however, one is inclined to believe that their dominant conviction was that while the United States must insist upon her rights to fair treatment, we must not ask privileges from which we would debar other nations, nor concessions which would work injustice to the lands of the Far East. It was, in other words, not merely enlightened selfishness that controlled their actions and that is responsible for the traditional American policy in the Far East: there was a sturdy sense of justice and fair play.

One regrets that Mr. Dennett has carried his narrative no further. It is to be hoped that either he or someone equally competent will continue it to the present time. It is also a matter for regret that he has not included an adequate account of American Christian missions and commerce in the Far East. Both may prove to be even more important for the future of Japan and China than our diplomacy. So to expand the scope of the work, however, would have carried it into more than one volume. For American diplomacy in the Far East through 1901, Mr. Dennett's volume must long remain the leading authority.

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SUPPLEMENT

RECORD OF POLITICAL EVENTS

[From July 1, 1922, to June 30, 1923]

BY

HARRY J. CARMAN

AND

ELMER D. GRAPER

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RECORD OF POLITICAL EVENTS

[From July 1, 1922, to June 30, 1923]

I. INTERNATIONAL RELATIONS

THE HAGUE CONFERENCE. — The Russian question, German reparations, and the Near Eastern situation were the major international problems of the year. In accordance with plans formulated at the Genoa conference (*cf.* last RECORD, p. 14), representatives of twenty-nine nations met at The Hague on June 15, 1922, for the purpose of effecting, if possible, an arrangement whereby the Russian Government would recognize Russia's pre-war debts and agree to restitution of nationalized foreign-owned property. Mr. Lloyd George, who fathered the conference, was not present, the British being represented by Edward H. Young, Financial Secretary of the Treasury, and Sir Philip Lloyd-Graeme, Director of Overseas Trade. The French Government, which had already made it clear that in its view the representatives at the conference were merely technical experts without power to make any decision without reference to their respective governments, sent Charles Benoist, French Minister at The Hague; M. Alphand, Director of the Department of Property and Private Interests; Count Massigli, Secretary of the Ambassadors' Council; M. Charles, Inspector of Finance; François Poncet, Director of the Office of Economic Study; and Prof. A. G. de la Pradelle. The Italian delegation included Baron Romano Avezzano, Prof. Francesco Giannini, Count Vannutelli, Count di Giura, and Cavalier Buté. Belgium was represented by M. Cattier, M. Galopin and M. Witmeur. Russia's delegation was composed of M. Litvinov, M. Krestinsky, M. Sokolnikov and Leonid Krassin. The United States Government, which had previously declined to send a delegation (*cf.* last RECORD, p. 14), was unofficially represented by Louis A. Susdorff, Chargé d'Affaires at The Hague. Jonkheer van Karnebeek, Dutch Minister of Foreign Affairs, presided over the conference. Considerable time was spent in preliminaries and it was not until June 27 that the first joint session was held. From the outset the Russians insisted upon obtaining credits before considering the other issues involved. The Powers, on the other hand, were equally firm in declaring that no loan would be made unless the Soviet Government agreed to care for the pre-war debts and either return the nationalized foreign-owned prop-

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erty or make satisfactory compensation therefor. In the course of the discussions it was brought out that Russia desired credits in foreign currencies totaling 3,224,000,000 gold rubles ($1,612,000,000), and that these credits would be used for transport (1,050,000,000 rubles), agriculture (924,000,000), industries (750,000,000), commercial credits (300,000,000), and bank credits (200,000,000). These items, M. Litvinov declared, represented Russia's minimum necessities and should be granted as a direct credit to the Moscow Government. When his demand was characterized by the French and Belgian delegates as fantastic, Litvinov retorted that without such a loan there would be small probability that the Allied nations would collect on what they asserted was due to them. The Powers, he said, in pursuing their present Russian policy were suffering economic losses, for Russia was willing to trade and to make important concessions, Free trade would not be countenanced, and in the granting of concessions the Soviet preferred to form a mixed company by which foreign capitalists would be partners with the Soviet, thus dividing the profits with Moscow. He made it clear, however, that other forms of concessions might not be impossible and that concessionaires would be granted considerable leeway in the matter of labor supply. Some six hundred concessions, including oil, minerals, timber and sugar, were mentioned. Neither railroad nor steamship concessions were included. M. Cattier of Belgium emphatically asserted that the list included several properties belonging to Belgian nationals. He therefore attempted to commit the Russian spokesman to a statement that any concessions granted would apply only to non-nationalized property, and that foreign-owned property would be restored to the owners; but the most M. Litvinov would say was that foreign owners would be given preference in the matter of concessions. It soon became obvious that neither side would yield on the important issues at stake, and the conference, having accomplished nothing, finally adjourned on July 19. (*Cf.* Other International Affairs, *infra*, and Russia, *infra.*)

REPARATIONS AND THE RUHR.—After the Hague conference the Russian question was completely overshadowed by the momentous problem of reparations. During the year Great Britain, more than ever aware of the fact that her economic interests required stabilization of Germany and restoration of the German market, consistently maintained her policy of opposing French militarism and of advocating the fixation of a definite amount for Germany to pay. The Poincaré Government, on the other hand, whatever its motive, just as consistently demanded that Germany respect the financial provisions of the Versailles Treaty. Belgium naturally supported France, while Italy, for business reasons, leaned toward Britain. This alignment of interest was clearly evident at the thirteenth Inter-Allied

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Council, which gathered at London on August 5 for the purpose of discussing reparations, war debts and property compensation claims. This conference, hailed in some quarters as a British maneuver, was prefaced by two important matters. The first of these was the **German request for an extended moratorium.** The payment of 32,000,000 marks due July 15, reduced from 50,000,000 marks by the Reparations Commission on July 11, was made under duress and after the German Government had requested that it be relieved from this and further indemnity payments for a period of three years. At the same time in a communication to the French Government it asked that the monthly payments in cash for liquidation of claims of French nationals against German nationals, represented in clearing house balances, be reduced from $10,000,000 to $2,500,000. In addition the Germans declared that it would be impossible to keep up coal deliveries of 1,900,000 tons monthly, and asked that the amount be reduced by one-third. In a peremptory note dispatched to Berlin on July 26, Premier Poincaré informed the German Government that under no circumstances would the request for a reduction of the clearing house balances be granted. The German Government, he declared, had no business to trifle with treaty obligations, and unless it agreed by August 5 to meet such obligations, immediate steps would be taken to enforce payment. The German Government in its reply on August 4 stated that it had no intention of defaulting on the clearing house payments, that it had merely asked for a reduction of the monthly amounts, and protested against the threatened use of force as unjustified. It also declared that the clearing house payments formed a part of the general reparations and that France, therefore, had no right to adopt punitive measures before August 15, when the next reparations instalment was due. After pointing to the disastrous fall of the mark, it urged France to defer action until after the inter-Allied meeting. M. Poincaré, however, would brook no delay and immediately issued a decree directing seizure of German balances in French banks, suspending all payments to Germans of awards of the Mixed Arbitral Tribunal, sequestrating all proceeds of the liquidation of German property in France, suspending such liquidation in Alsace-Lorraine, and threatening expulsion of German citizens from French soil and particularly from Alsace-Lorraine. Coming as it did on the eve of the inter-Allied meeting, this threat of independent action caused concern in London. Equally disturbing, from the French viewpoint, was an identic note bearing the signature of the Earl of Balfour and dispatched on August 1 to all countries owing money to Britain as a result of war loans. In substance **the Balfour note** recited the evils of the existing situation and stated that Britain was ready, if such a policy formed part of a satisfactory international agreement, to remit all these war loans and abandon all further rights to German repara-

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tions. In other words, Britain offered to cancel the $12,000,000,000 due her if the United States would cancel the $5,000,000,000 due her from Britain. Under no circumstances, the note continued, would Britain ask more of her debtors than was necessary to pay her creditors. Many Americans construed this note as a clever means of placing the whole burden of responsibility for continuance of the European chaos upon the shoulders of the United States. By the French Government it was regarded as an answer to the French proposal that France remit all Class C reparation bonds, reducing the reparation total of 132,000,000,000 gold marks to 50,000,000,000 on the explicit understanding that the debts of France to Great Britain and the United States be cancelled. To Poincaré and the French nationalists the note had a double significance. First of all they professed to see in it an effort to secure a solution of the reparation problem beneficial to commercial England. And, secondly, they hailed it as giving France a free hand in her determination to make Germany pay in full.—One can, therefore, easily imagine the diplomatic atmosphere surrounding the **London Conference** of August 5, which lasted only a week. At the outset M. Poincaré presented an elaborate scheme for control of German resources—forests, the Ruhr mines, customs and taxes, and sixty per cent of the profits of certain industries. Germany, the French Premier asserted, would not pay unless compelled, and compulsion required direct action. The British, on the other hand, ably supported by the Italians, whose share in reparations was small and whose need for German commercial relations was pressing, disapproved of the French plan for so-called "productive guarantees", which they asserted would prove economically disastrous and render Germany less able to pay. They favored a general moratorium. Mr. Lloyd George emphatically declared this to be the only solution. Thus deadlocked, the French and British Premiers agreed to disagree. They also agreed that Berlin should have a respite of four weeks for the payment of the $10,000,000 due on August 15, and that in the future the obligation of collection should rest upon the individual governments.

The failure of the London Conference left the question of a moratorium to the Reparation Commission. Accordingly a special committee of two allied experts, Sir John Bradbury and M. Manelère, were sent to Berlin on August 18 to obtain definite information as to exactly what Germany could and would do. After a series of "conversations" the envoys reported on August 26 that Germany was absolutely opposed to the Poincaré scheme for "productive guarantees" and was ready to substitute therefor a full guaranteed plan. The **German offer** provided for a contract between the German Government and German industrialists, including Hugo Stinnes, for delivery of products from the Ruhr mines and the state forests during

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the moratorium, with penalties to be enforced if the industrialists did not respect the terms of the agreement. At the invitation of the Commission, State Secretary Schroeder and Herr Bergmann were sent to present the German case. No sooner were details of the offer divulged than M. Poincaré rejected it as an unsatisfactory solution. On August 30 Dr. Wirth, German Chancellor, was informed that while the Commission was not disposed to reject the German offer, it must know what "productive guarantees" Germany would give to satisfy the French Government. In reply, Berlin simply refused to consider any such guarantees. The Commission was now in a dilemma, for it was hopelessly divided. Finally, out of the confusion came a compromise arrangement on August 31. Request for a moratorium was denied, France and Belgium voting in the negative, Britain in the affirmative, and Italy not voting at all. Instead of a moratorium, a respite of six months was given on condition that the Germans proceed forthwith to reorganization of their finances and currency, and that Belgium be given properly endorsed bank notes to cover the 270,000,000 gold marks due her because of the priority which she had been granted in the reparations payments. Almost simultaneously, Hugo Stinnes and Senator de Lubersac negotiated a scheme providing for delivery of German materials to France for reconstruction purposes in the devastated regions. Cost of the materials delivered (13,000,000,000 francs) was to be defrayed by the German government and charged on her reparations account.

Those who hoped that this action on the part of the Reparation Commission would help stabilize German finances and prevent further depreciation of the mark, were doomed to disappointment, for the mark continued to decline in value. On September 14 Germany informed Belgium that she could not supply the $100,000,000 in gold marks demanded as a guarantee for the note issue on reparations account. At the same time she asserted that she was unable to pay £1,500,000 demanded by September 15 by the Allies on account of private pre-war debts. It was apparent that the situation, instead of improving, was getting worse, and on October 11 the Reparation Commission held a special meeting in Paris to discuss the mark cataclysm and the general condition of German finances. This was followed by still another meeting in Berlin on October 29 in conjunction with a commission of foreign experts including Gustav Cassell of Sweden, John M. Keynes of Great Britain, and Jeremiah Jenks of the United States. The **Reparation Commission's report** found the German Government without any plans for solving the reparation problem, the German officials simply declaring that an extended moratorium, a reduction in deliveries in kind and coal, and a loan were necessary if Germany, and in turn Europe, were to be saved from economic ruin. The **financial experts** rendered two reports to

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the Commission: the majority report declared that stabilization of the mark was possible and mainly dependent on Germany's own efforts; the minority report, signed by Dr. Vissering of Netherlands and Leopold Dubois of Switzerland, recommended formation of an international banking syndicate with a capital of 1,000,000,000 gold marks for stabilization purposes, and a complete moratorium until all advances had been repaid, The Reparation Commission returned to Paris empty-handed on November 10, except for the offer of Chancellor Wirth to accept the minority report of the financial experts.

Thus matters stood on December 9, when another **inter-Allied council** assembled in London. Meanwhile the Lloyd George, Facta and Wirth governments had fallen, but their going had little effect upon the situation. M. Poincaré, adhering to his former policy, offered to accept a two-year moratorium if satisfactory guarantees were forthcoming. Such guarantees, he said, would include measures for the economic control of the Rhineland industries and partial occupation of the Ruhr, with miiltary supervision of the customs and coal output. For Britain, the new Prime Minister, Mr. Bonar Law, emphatically declared that such measures could only be regarded as penalties and not economic guarantees, and that Great Britain could not consent to such a program. He proposed first of all, the cancellation of the French debt to Britain, irrespective of whether America held Britain to account or not. On this basis, he suggested the cessation of coercive measures against Germany, a moratorium to permit Germany to reestablish her finances, and a reduction of reparations to thirty or forty billion gold marks. Belgium presented her own plan, the main features of which called for an international loan to Germany of 5,000,000,000 gold marks a year for seven years, which should represent the sum total of the reparations. For Italy, Signor Mussolini proposed that the reparations question be dealt with in connection with the inter-Allied debts. The Italian plan also called for a moratorium and a reduction of reparations. After a three-day discussion in which nothing concrete was accomplished, the conference broke up, with the understanding, however, that another meeting should be held in Paris on January 2. On December 15, Poincaré's policy was approved by the Chamber of Deputies by a vote of 512 to 76.

As soon as the **Paris Conference** opened, the respective plans were submitted. The Italian proposal already published on December 15, called for a two-year moratorium and a reduction of reparations to 50,000,000,000 gold marks, Germany to be required to raise a 3,000,000,000 mark loan, 500,000,000 marks of which would be used to stabilize her currency and the rest for reparations. She would also be required to continue payments in kind and the Allied Guaranty Commission would supervise her finances during the moratorium

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period. The British plan proposed a four-year moratorium, finality of settlement, and a reduction of the total indemnity to 50,000,000,000 gold marks to be spread in the form of five per cent bonds over a thirty-two year period. The British were opposed to the occupation of German territory, except in case of future default, and then only after unanimous Allied consent. The French and Belgian proposals did not differ materially from the Italian, except that Poincaré insisted upon "productive guarantees". All the proposals were therefore in agreement that the amount of reparations should be reduced to 50,000,000,000 gold marks (it had been fixed at 226,000,000,000 gold marks in January, 1921, and reduced to 132,000,000,000 one year later). France also proposed that the European inter-Allied debts be paid with Class C reparation bonds (issued by the Reparation Commission for 82,000,000,000 gold marks and practically conceded as financially worthless); Britain, on the other hand, insisted upon the partial payment of debts due her with the gold deposited in London by France and Italy as security for war advances. This gold included 1,864,000,000 francs, or about one-third of the gold reserve of the Bank of France. Britain further proposed that the Reparation Commission be superseded by a neutral body with a German chairman, while France emphasized drastic financial control. In criticizing the British proposal, M. Poincaré declared it was too lenient, diminished French claims and entailed a revision of the Treaty of Versailles, to which France would not consent. He also objected to the proposal to supersede the Reparation Commission, to the reduction of reparations in kind during any moratorium and to the British appropriation of the gold deposits. Mr. Bonar Law in turn declared that the French plan for "productive guarantees" constituted a violation of the Versailles Treaty, that it would operate to destroy Germany both economically and politically, and redound detrimentally not only to France but to the whole world. When on January 4 the Conference broke up, M. Poincaré again stated that France and England had agreed to disagree.

Although the **United States** took no part in the Conference, it was known that the Washington Government favored a commission of eminent international financiers, which would survey the economic situation in Europe, and devise a scheme for financing Germany. Such was the plan outlined by Secretary Hughes in the course of his speech on American foreign policy at New Haven on December 29, in which he clearly indicated that American public opinion was utterly opposed to the exercise of force.

Meanwhile the Reparation Commission, now dominated by France, by a vote of three to one (Great Britain) declared **Germany in voluntary default** in her wood deliveries for 1922. Similar action was taken on January 9 in regard to her coal deliveries. On this occasion the British member of the Commission, voting in the negative, pointed

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out that Germany was only 11½ per cent in default after deducting deficits due to causes beyond her control. Mr. Roland W. Boyden, the American observer at the meetings of the Commission, entertained the same view and stated that in his opinion the reparations provisions of the Versailles Treaty were impossible of fulfilment. These decisions of the Reparation Commission were immediately followed by the **occupation of the Ruhr Valley.** On January 10 M. Poincaré notified Berlin that as a result of the German default of coal deliveries "the French Government has decided to dispatch to the Ruhr a mission of control composed of engineers and having the necessary powers to supervise the acts of the Kohlensyndikat, and to assure by virtue of orders given by its President either to the latter syndicate or to the German Transport service strict application of the schedules fixed by the Reparation Commission and take all necessary measures for the payment of reparations." At the same time 100,000 French and Belgian troops began their advance across the Rhine into the Ruhr coal and iron region. Essen was occupied without incident. General Degoutte took command at Duesseldorf and the German industrial experts departed. On January 12 a state of siege was proclaimed, and a press censorship established, throughout the newly occupied territory. Two days later the mining town of Bochum was occupied, as also eventually were Mannheim, Karlsruhe and Darmstadt. On January 11 the French Chamber of Deputies approved the Ruhr policy by a vote of 478 to 86. As soon as the French movement began, Germany recalled her ambassador from Paris and her minister from Belgium. The concordat with Italy involving payment of 800,000,000 marks for the redemption of German property in Italy was also denounced. Protests were also sent to the United States and Great Britain to the effect that coercive military measures were being "directed against a defenseless and peaceful nation," and that Germany would not "meet violence with violence."

On January 10 President Harding, in accord with a Senate resolution, ordered the **American Army of Occupation** on the Rhine, which had been reduced to one thousand men, to return home immediately, and on the twenty-seventh the Coblenz district was officially transferred to the French. Although the President stated no reasons for the withdrawal, many Americans interpreted it as a condemnation of French policy.

From the standpoint of reparations the **occupation of the Ruhr** appeared to be a failure. From the time they entered the region, the French were embarrassed and handicapped by civil obstruction and passive resistance. On January 31 the French cut off the entire Ruhr coal supply from unoccupied Germany and seized the Ruhr customs on the ground that Germany had failed to pay reparations totaling 500,000,000 gold marks on that date. (The payment fell due on Jan-

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uary 15, but the Reparation Commission granted fifteen days' grace.) A railroad strike immediately resulted, and in less than a week traffic was completely paralyzed by a tangled mass of stalled coal trains. The French then announced that railroad sabotage would be punished by death. On the same day M. Poincaré admitted that the campaign of obstruction and passive resistance threatened "to bring disorganization to the exploitation of mines and factories of the Ruhr." German coal operators and engineers either quit their posts or refused to carry out French orders, and the French retaliated by arresting, imprisoning and deporting these recalcitrants. Thus Herr Thyssen and five other coal magnates were arrested on January 20, and fined for refusal to deliver coal to the French as directed. As a protest against this action, 75,000 men and women employed in the Thyssen mines and steel plants went on strike. During February and early March, the French attempted to secure results, not only by tightening their grip on the sections already occupied, but by extending the area under control. By March they had an unbroken military and customs line stretching from Switzerland to the Belgian and Dutch frontiers. The British bridgehead at Cologne became an island in the zone of occupation. Meanwhile, internal conditions did not improve. On February 16 a French battalion took over the Essen police barracks following the shooting of two soldiers by the German security police. The next day the Germans were accused of sinking two 1000-ton barges between the locks of the Rhine-Herne canal. On February 18, a fine of 100,000,000 marks was imposed on the town of Gelsenkirchen for the shooting of two French officers by the German police. When the authorities refused to pay, a detachment of French soldiers went to the city hall and took 88,000,000 marks from the treasury; at the railway station they seized 17,000,000, the extra 5,000,000 being used to defray the cost of collection. A few weeks later (March 11) Duesseldorf was fined a like sum for a similar offense and officials and prominent citizens were held as hostages. On March 21 the town lost 60,000,000 marks in retaliation for sabotage. The two most serious clashes during the period, however, occurred at Buer and Essen. At the former on March 10, eight Germans were killed when the French fired into a crowd that had gathered to protest against the arrest of two Germans accused of having murdered a French army officer and a French civilian official. At Essen on March 31, eleven Krupp workmen lost their lives and a number were wounded when a French detachment attempted to requisition automobiles. As a result a number of the Krupp officials were arrested and court-martialed on the charge of having excited the workingmen to engage in a riotous demonstration. On May 8, Baron Krupp von Bohlen was found guilty and sentenced to fifteen years imprisonment and a fine of 100,000,000 marks; nine other Krupp directors also received severe sentences.

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During the first three months of occupation both France and Germany remained obdurate in their determination not to yield. The Cuno Government (*cf. infra*, Germany) declared that it would make no move toward a settlement until the French had evacuated. M. Poincaré, while denying that France had any intention of annexing the territory, repeatedly stated that France would retain her grip until she secured satisfaction. In May, however, a fresh attempt was made to obtain a settlement through negotiation. This came in the form of a **German proposal** made more or less in response to a speech delivered by Lord Curzon in the House of Lords on April 20, in which he intimated that such action on Germany's part was necessary and unavoidable. Despite the positive statement made by the French and Belgian premiers that any proposal should be addressed to the occupying Powers, it was presented to the British, French, Italian, Belgian, United States and Japanese governments. It was prefaced with the declaration that passive resistance in the Ruhr must continue until that territory was evacuated and treaty conditions restored. In regard to reparations, it proposed that the total amount be reduced to 30,000,000,000 gold marks, to be raised by international loans and to be paid in three instalments: 20,000,000,000 on July 1, 1927; 5,000,000,000 on July 1, 1929; and 5,000,000,000 on July 1, 1931. These payments were to be contingent on the success of the loans, and in event of failure reference was to be made to an international commission. To meet the French demand for security, the note stated that the German Government was prepared to conclude any agreement to insure peace based on reciprocity. Further, Germany was ready to bind herself, with France, to submit all future contentious questions to an international tribunal. This offer submitted on May 2 was rejected four days later by France and Belgium in emphatic and uncompromising terms. The pledges taken on the Ruhr, they said, were effected without the least violence on the part of France and Belgium. Orders from Berlin alone prevented German civil cooperation, a fact admitted in the German offer. No proposal would be entertained, the reply stated, so long as the Ruhr resistance continued. Both states declared that they would not consent to any reduction of the indemnity unless their debts to Britain and the United States were reduced. The proposed guarantees were described as wholly unsatisfactory. The reply concluded with the statement that the Ruhr would only be evacuated as payments were made, and that the German proposal, if accepted, would merely pave the way for the moral, economic and political revenge of Germany.

As soon as it was apparent that the offer of May 2 was inadequate as a basis for settlement the Berlin Government drafted a **supplementary proposal** along the lines previously suggested by Secretary Hughes, which it submitted to the Allies on June 7. The memo-

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randum embodying this plan again emphasized the willingness of the German Government to accept the decision of an impartial international body as to the amount Germany could pay and the method of payment. As an aid to such a body it stated that the Government would throw open to inspection all its financial records. Liability was frankly admitted, and the German railway system was offered as security for a loan of 10,000,000,000 gold marks at five per cent, thus securing an annual payment of 500,000,000 marks. To insure a further annual payment of 500,000,000 marks "the entire business, industry, banking, trade, traffic and agriculture" were offered as guarantees. The total annuity was to be brought up to 1,200,000,000 marks by pledging as security the import customs on consumable articles other than necessaries, the excise on tobacco, beer, wine, sugar, and receipts of the spirits monopoly. These guaranteed payments were to begin July 1, 1927. Thus in effect a four-year moratorium was asked for. No mention was made of discontinuing passive resistance in the Ruhr. On June 8 Premier Poincaré flatly declared that it was useless to discuss any offer as long as German resistance in the Ruhr continued. Lord Curzon, however, took another view of the matter and on June 9 issued invitations to the Allies to meet in London to discuss the latest German proposal. Failing in this, the British Government addressed a questionnaire to the Paris Government in which the latter was asked to define what was meant by the end of passive resistance; precisely what measure on the part of the German Government would satisfy France; and, if passive resistance should cease, what would be the French proposal for administering or evacuating the Ruhr. At the end of the period under review it was semi-officially stated that France was drafting an answer to the British questions. Meanwhile (June 20) it was announced that a decree, providing for confiscation and enforced operation of all Ruhr Valley industrial plants the products of which were applicable to the reparations account, was being prepared by General Degoutte, commander of the French forces of occupation. (*Cf. infra*, Great Britain, France, Germany.)

THE NEAR EASTERN PROBLEM.—The Near Eastern problem, during the year under review, has been featured by continued imperialistic rivalries, the defeat of Britain in her diplomatic struggle with France, the elimination of Greece from Asia Minor, and the return of the Turk to Eastern Thrace. In September the Turkish Nationalists, abundantly supplied with French batteries and tanks and Italian airplanes, overwhelmed the Greek army in Asia Minor and captured Smyrna. Fully half the Greek forces, originally totaling 2,000,000, were killed or captured, and enormous supplies of munitions and booty fell into the hands of the victors. The **Greek military disaster** was accompanied by the flight of hundreds of thou-

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sands of Greek civilians who sought to escape massacre at the hands of the advancing Turks. Many poured into Smyrna, but on September 15 the Greek and Armenian quarter of that city was swept by a devastating fire of incendiary origin, over a thousand persons perishing. Others sought safety on Allied warships and on adjoining islands. Owing to the revolutionary movement in Athens (*cf. infra*, p. 88) the Greek authorities were able to render little assistance.

Having won his immediate objective, **Mustapha Kemal** turned toward the Dardanelles and Constantinople. At the same time he demanded the return of Eastern Thrace to Turkey. Alarmed at this turn of events which threatened her control of the Straits, Britain landed troops at Chanak on the coast of the Aegean Sea on September 16 and announced that England would fight to keep the neutralized zone of the Straits "free". Greatly incensed, Mustapha Kemal declared that the so-called neutralization of the Straits on which the English insisted was merely a pretext for the retention of British control, and that the Turks would refuse to recognize any neutral zone unless the Allies pledged themselves to return Thrace at once to Turkey. Two days later the Turkish leader occupied Ismid at the eastern end of the neutral zone and began to close in on the British forces at Chanak. At this juncture the entire British-Atlantic fleet was dispatched to the Dardanelles and an appeal made to Rumania and Jugoslavia, to France and Italy, and finally to the self-governing Dominions, urging them to participate in the effective defense of the Straits. From the British point of view the response was disheartening. The Italians and French ordered their troops to quit the Asiatic shore and signified that under no circumstance would they oppose the Turks by arms. Jugoslavia and Rumania were lukewarm. Of the Dominions, only New Zealand pledged full support; Australia promised aid subject to certain conditions; Canada and South Africa were silent. On September 19 Mustapha Kemal advised Paris that he would make no attack on the neutral zone if the Allies would guarantee the immediate restoration to Turkey of Adrianople, Constantinople and Eastern Thrace to the River Maritza. He further stated that he was willing to consent to any "reasonable" assurance of the freedom of the Straits and to the establishment of an international commission of control. On the same day the French Government urged the British to accept this offer, but on September 21 Lord Curzon, the British spokesman, declared that Britain would neither withdraw its troops from Chanak nor concede the Turkish claims to Thrace, Adrianople and Constantinople in advance of a peace conference. Meanwhile the Turkish armies continued to advance. War seemed imminent. Public sentiment in England and in the Moslem sections of the British Empire, however, was dead against armed conflict, and on September 23 England reluctantly joined with

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France and Italy in sending a **joint note to the Angora Government** offering to restore Constantinople and Thrace up to the Maritza River to Turkey on condition that the Turks respect the neutrality of the Straits zone, which should be placed under the guardianship of the League of Nations. The three Allied governments furthermore promised to support the admission of Turkey to the League and urged an immediate military conference at Mudania to formulate terms of an armistice pending a peace conference to be held at Venice or elsewhere. This offer Mustapha Kemal accepted on October 1, after the United States Government had announced its approval of the Allied stand for freedom of the Dardanelles and the protection of racial and religious minorities. His acceptance of the Allied proposal was accompanied by the request that the Greeks evacuate Thrace within eight days and that Allied troops be stationed on the west bank of the Maritza River. — The **Mudania Conference** opened on October 2. After a week of wrangling an **armistice** was signed on October 10. By it Turkey was given sovereignty over Thrace, effective within thirty days; provision was made for the delimitation of new neutral zones in the areas of Chanak and Ismid; and temporary zones of Allied occupation were definitely laid out, with which the Turks promised not to interfere. In the conferences leading to the Mudania arrangement, the British favored the Greeks, while France and Italy supported the Turks. As soon as it was definitely known that Eastern Thrace was once more Turkish territory a great exodus of Christian inhabitants from that region began. On November 11 Dr. Dokiader, the Greek Minister of Interior, stated that there were over 1,500,000 refugees from Thrace and Asia Minor in Greece and that outside assistance would be needed if they were to be cared for.

Meanwhile Great Britain, France and Italy issued invitations to the governments of the United States, Greece, Rumania, Jugoslavia, Japan and Turkey to meet in a **conference at Lausanne,** Switzerland, for the purpose of effecting a settlement of the thorny Near Eastern question. The Russian and Bulgarian governments were also asked to send delegates to discuss the question of the Straits. In answering the invitation, the United States Government declined to send plenipotentiaries, but stated that it would be represented by observers. The conference, which opened on November 20, showed more clearly than ever the jealousy and lack of cohesion and harmony between the Western Powers. The agenda included the important questions of Western Thrace and the Straits, the Capitulations, the Aegean Islands, mandated territories including the frontiers of Syria and Iraq, indemnities, removal of Allied troops from Constantinople, and economic concessions. To handle these problems three main committees were named: Territorial Matters, Status of Foreigners, and Economic

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Issues. At the outset the Turkish delegation headed by Ismet Pasha insisted that the sovereignty of **Western Thrace** be determined by plebiscite. Greece naturally opposed this move, and the Turks finally agreed to a thirty kilometer demilitarized zone between Western Thrace and European Turkey. The request of the Bulgarians for an outlet to the Ægean was considered favorably and a proposal made to give them the use of the port of Dedeagatch with a passage through a thirty-kilometer zone on each side of the Maritza River, this zone to be under the jurisdiction of the Allies or the League of Nations. This offer Bulgaria refused to accept, claiming she must have complete sovereignty over the Ægean port and the Maritza River corridor.—**The Straits question** resulted in a long wrangle. Lord Curzon insisted upon the demilitarization and internationalization of the great waterway and on absolute freedom of passage at all times for vessels of peace and war of all nations. The Turks, ably seconded by the Russians, declared that the safety of Constantinople warranted the fortification of the Straits and their closure to warships. Ambassador Child, spokesman for the United States, rallied to Lord Curzon's support when he declared that America would not permit the Black Sea to become a Russian lake. With this view Baron Hayashi of Japan concurred. On December 8 the Turks accepted on principle the Allied plan for demilitarization and internationalization, with free passage for merchant ships and for war vessels under certain restrictions. The Turks, on the other hand, were permitted to maintain a small garrison on the Gallipoli peninsula. At this juncture the United States Government informed the Allies that it disapproved of that part of the scheme providing for an International Straits Commission which would function under the League of Nations.—Much more difficult of settlement was **the problem of the Christian minorities.** On December 1, Ismet Pasha admitted that the Angora Government had ordered the banishment of 1,000,000 Greeks; a few days later he suggested that all racial minorities quit the Ottoman State. Lord Curzon objected, and, strongly backed by the American representative, made an eloquent plea for their protection. Unmoved by the Englishman's appeal, Ismet Pasha stated that in his opinion there were only two solutions of the problem: either the expulsion of the minorities, or else absolute faith in Turkey's good will and sense of justice. Turkey, he continued, had for centuries been the victim of a malicious campaign of libel and whatever trouble had occurred during this time had been caused by interference of outside Powers or by nationalistic ambitions on the part of the minorities. After days of verbal battle the Turks finally consented to grant the minorities certain guarantees. At the same time it was arranged that the Greeks in Anatolia and European Turkey, exclusive of Constantinople, should be exchanged for the Turks in Greece except those in Western Thrace.

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The Turks also accepted the proposal for a general amnesty for all Turkish subjects, Christian and Moslem alike, for all political and military crimes committed during the last nine years. The American scheme for an Armenian homeland met with unalterable opposition from the Turks. — The delicate subject of **the Capitulations** and the even more perplexing financial and economic questions, including the sovereignty of the Mosul oil region, were the jagged rocks upon which the conference foundered. Turkey as an independent state could not, Ismet Pasha said, accept the judicial guarantees for foreigners which the Allies proposed to substitute for the Capitulations. Turkey henceforth, he declared, would have one system of laws and courts applicable to Turk and foreigner alike. Nor would the Angora Government, he reiterated, recognize the contracts and **concessions** granted by the old Ottoman régime. He suggested, however, that the question of Mosul, which Lord Curzon on January 11 declared in no uncertain terms Britain would never surrender, be settled privately by the two states directly concerned. The financial and economic clauses of the draft treaty submitted by the Allies he characterized as wholly unsatisfactory. By February 4 it was obvious that the opposing delegations were hopelessly deadlocked and on that day the conference broke up.

In formally rejecting the draft treaty on March 6, the Angora National Assembly submitted **Turkish counter-proposals** in which it urged that the Mosul question be settled by separate negotiation with Great Britain within a year, and failing agreement, that it be referred to the League of Nations. Further, it proposed the abrogation of the Capitulations and the financial systems dependent thereon; the reduction to a minimum of the authority of the public debt commission and the equitable distribution of the debt among the new states formerly a part of the Turkish Empire; cancellation of all claims to reparations arising from the war, except those against Greece, as well as claims for gold transferred to the Central Powers or for battleships ordered in Great Britain and seized by her; reparations for damages caused by the Greek Army; continuance of foreign schools, hospitals, and charitable institutions in Turkey provided they refrained from indulging in propaganda. Legal advisers not nationals of belligerents were to be selected from a list submitted by the Hague Tribunal to assist in legislative reforms and to aid in the administration of Constantinople and Smyrna for a period of five years. Turkish subjects in Allied countries were to be accorded the same rights as the Allies demanded for their nationals in Turkey. By the middle of March the counter-proposals reached the Allied governments and on the twenty-first Allied representatives met in London to examine them.

As a result the **Lausanne Conference reconvened** on April 22 earn-

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estly determined to liquidate the remaining unsettled problems if possible. On the question of the Capitulations the Allies were forced to yield; the Turks, however, agreed to appoint four foreign advisers to follow up all cases and make recommendations to the Turkish Ministry of Justice. These advisers would receive complaints and must be informed of all arrests and domiciliary searches. In like manner it was agreed that the International Sanitation Board should be replaced by an advisory health board upon which three foreign physicians would sit and whose principal duty would be to prevent the spread of contagious epidemics. An agreement was patched up between Turkey and Greece on May 26. By it Turkey withdrew her demand for indemnity for damage in Anatolia, while the Greeks acknowledged responsibility but pleaded inability to pay. Greece ceded to Turkey a strip of land on the west bank of the Maritza, facing Adrianople, together with a dozen or more miles of the Orient Railway connecting Constantinople with Budapest and Vienna. The protest of the Bulgarians against this cession went unheeded. Both states further agreed to the mutual restoration of all ships captured since the Mudros armistice in 1918. In settlement of reparations the Allies agreed to accept the £6,000,000 Turkish gold seized in the Deutsche Bank in Berlin and the £5,000,000 paid to England for battleships never received.—On several occasions the problem of **concessions** nearly wrecked the conference. The Turks resolutely insisted that they were not bound by the commitments and obligations entered into by the Ottoman Empire, while the Allies, particularly France and England, insisted that they were. A new slant was given to this problem when on April 11 the Angora Government awarded to the Ottoman-American Development Company, headed by Admiral C. W. Chester, a concession for the construction of more than 2700 miles of railway, the exploitation of rich mines and the execution of other large projects in Anatolia. News of this award at once proved a disturbing factor. France claimed that that part of the railroad concession between Samsoun and Sivas had already been awarded to her, while the British declared that the award overlapped their rights in the Mosul oil fields. On June 2 Joseph C. Grew, the American observer at the conference, informed France that the United States would not support any claim to Turkish concessions which abrogated rights of nationals of other countries.—The payment of interest on the **Ottoman debt** remained an unsolved problem. On June 14 M. Poincaré flatly refused to accept a scheme whereby French bondholders would receive interest in paper money for a few years until arrangements could be made to make payments in gold. Any such scheme, he maintained, would establish a bad precedent for other debtor countries.—The assassination on May 10 of M. Vorosky, the uninvited Russian observer at Lausanne, by a former officer in the

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Wrangel and Denikine armies, provoked keen resentment in Moscow. —(*Cf. infra*, Turkey.)

THE LEAGUE OF NATIONS. — The **Third Session of the Assembly** of the League of Nations was held in Geneva during September. Forty-six states were represented, over half the membership being composed of those who had seen service in the two previous Assembly meetings; the delegations from Great Britain, Denmark, Norway, Sweden and Rumania included women representatives. Hungary, upon the recommendation of the Little Entente, was unanimously elected to membership. Augustin Edwards of Chili was chosen President by a vote of 42 to 2. Six Vice-Presidents were also chosen: Lord Balfour (Great Britain), M. Hanotaux (France), M. Gomes (Portugal), M. Branting (Sweden), Count de Gimeno (Spain), and M. Nintchitch (Jugoslavia). To handle the work of the Assembly six main committees were named as follows: Legal and Constitutional Questions, Technical Organizations, Reduction of Armaments, Budgetary and Financial Questions, Political Problems, and Social and General Questions. Approximately half of the twenty-three plenary meetings were spent in ratifying the reports of these committees. Of the twenty-five items listed in the agenda, the problem of **reduction of armaments** was by far the most important. Two League commissions which had been at work on this problem for two years reported. The first of these, the Permanent Military, Naval and Air Commission, submitted what was characterized as the most complete set of authentic data on the subject ever collected. The second, the Temporary Mixed Commission on Armaments, presented three important proposals. The first, submitted by Lord Robert Cecil, called for a Treaty of Mutual Guarantee open to all countries and "binding them to provide immediate and effective assistance in accordance with a prearranged plan in the event of one of them being attacked, provided that the obligation to render assistance to a country attacked shall be limited in principle to those countries situated in the same part of the globe." This guarantee was conditioned "on a reduction of armaments being carried out on lines laid down beforehand, and on the provision of effective machinery to insure the realization and the maintenance of such reduction." Lord Robert declared that such a treaty was designed in the interests of disarmament and that it must not become merely a defensive alliance of the old type. The guarantee and reduction of armaments, he said, must go together. To insure such reduction was the purpose of the second proposal, submitted by M. de Jouvenel of France, who moved that the states of the world be invited to reduce their armaments to the figures for 1913 calculated on the basis of pre-war prices. The third proposal recommended that the principle of the Washington naval treaty be extended to all states non-signatory of that treaty whether

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members of the League or not, and that a conference for this purpose be summoned by the League Council as soon as possible. All three proposals were adopted by the Assembly. The Assembly committee on armament reduction also made recommendations dealing with the private manufacture of arms and the arms traffic. Hope was expressed that the Government of the United States, which had refused to ratify the **St. Germain Arms Convention** of 1919, would at an early date state its objections to the Convention and inform the League of the conditions on which it would be willing to cooperate. On September 22 the Assembly adopted a resolution providing for **conciliation commissions** and elaborated rules for their procedure. Resolutions were also adopted for the continuance of the work of the **Health Organization** and the League's Commission on the Traffic in Opium. Regarding the traffic in **opiates** the conference urged the necessity of import and export certificates, called for specific statistics on consumption, and recommended that the Council invite the Government of the United States to nominate a member to serve on the League committee. The reports of mandatories and the work of the **Permanent Mandate Commission** were closely scrutinized. Resolutions were adopted defining the right of petition and prescribing that appeals from inhabitants must be sent to the Commission. It was furthermore provided that complaints from outside sources would receive consideration only after the mandatory had had opportunity to express its views. On the problem of **minorities** the Assembly affirmed that it was necessary that the Council should retain its "full power of direct action" in protecting them, but that this power should be used only as a last resort. Questions of law and fact, it ruled, should be determined by the Permanent Court. It cautioned minorities of their duty "to cooperate as loyal fellow-citizens of the nations to which they now belong". It asked nations not bound by treaties to accord minorities "at least as high a standard of justice and toleration" as was required under the League system. **Two amendments to the Covenant** were discussed. The first proposed the elimination of Article 10; the second would give a full juridical interpretation to Article 18. Definite action on both was postponed. The Assembly, however, approved the action of the Council in increasing the number of **nonpermanent members on the Council** in order that seats in this body might be more equitably distributed and committee work more easily disposed of. As a result of elections to the Council under this rule Brazil, Spain, Belgium, China, Sweden and Uruguay were selected.

A number of important meetings of the League **Council** were held during the year. At the nineteenth session which convened in London in July, the Class A and Class B mandates were approved and action was taken on the reduction of armaments; the treatment of minorities, especially in Poland, Upper Silesia and Turkey; the de-

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portations from Asia Minor; traffic in women and children; the opium business; boundary disputes; and bandit raids. The question of the Holy Places, as affected by the Palestine mandate, formed the principal topic for discussion at the twentieth session, which opened at Geneva on August 31. Increase in the membership of the Council (*cf. supra*), further consideration of the problem of minorities, and an international loan to Austria were the main items discussed at the twenty-first session, held at Geneva from August 21 to October 4. At its twenty-third session, held in Paris from January 29 to February 3, further progress was made on the problem of the Austrian loan, reports on Danzig and the Saar were received, and petitions from the inhabitants of certain of the mandated territories were considered. With the exception of delimiting the frontier between Hungary and Czechoslovakia, the Council accomplished nothing of importance in its twenty-fourth session, which opened at Geneva on April 17.—The administration of the **Saar Basin** came up for discussion at the next meeting of the Council, which opened on June 29. For some time the administration of the territory had been a source of anxiety to the League. Members of the Council with the exception of the French and the Belgian representatives were of the opinion that the Saar Governing Commission, controlled by the French, had gone beyond the letter and spirit of its mandate. A climax was reached when in March the Commission issued a repressive ordinance against the local population. The British Government at once addressed a note to the Member States of the League advising them that the British representative on the Council would propose that an impartial commission be appointed to investigate the Saar administration.—(*Cf.* also Austria, *infra.*)

THE PERMANENT COURT OF INTERNATIONAL JUSTICE.—The Permanent Court of International Justice, formally opened last year (*cf.* last RECORD, p. 21), was occupied with several important cases. In its first case, decided July 31, it ruled that the International Labor Office had acted properly in seating the delegate of Holland at its first conference. Certain labor organizations of northern Europe argued that this delegate had not been nominated in accordance with paragraph 3, Article 389 of the Versailles Treaty. In its second case, in which the Court again sustained the International Labor Office, France desired to know whether the Labor Office had power to make proposals to different governments regarding the means they could employ to organize and develop production in agriculture and that the International Labor Office was incompetent in matters of agriculture. In October the Council of the League asked the Court for an opinion on the question whether the Franco-British dispute relative to nationality decrees issued in Tunis and Morocco was or was not by international law solely a matter of domestic jurisdiction.

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The Court on February 7 ruled that the dispute was not merely a question of internal jurisdiction because Britain and France had already entered into commitments respecting these territories. Three other cases were also on the docket for the June Court session of 1923. The first dealt with the two-year-old controversy between the Allies and Germany over the use of the Kiel Canal, the second related to the protection of German minorities in Poland, and the third to the interpretation of certain provisions in the Peace Treaty signed at Dorpat in 1920 between Finland and Russia (*cf.* RECORD for 1921, p. 98). — The Administration of the United States warmly endorsed the proposition for a permanent World Court although it was not in favor of having such a court under the jurisdiction of the League of Nations. Secretary of State Hughes voiced this opinion in an address delivered before the American Society of International Law at Washington in April, as also did President Harding at St. Louis on June 21. Two conditions were indispensable, the President said, for American participaton in the World Court: first, "that the tribunal be so constituted as to appear and to be, in theory and practice, in form and in substance, beyond the shadow of doubt a world court and not a League court," and secondly, "that the United States shall occupy a plane of perfect equality with every other power." In particular, it was to be specifically provided: (1) that the United States assumed no obligation under the Covenant and no legal relation to the League; (2) that the United States be permitted to participate on a basis of equality with the members of the Council and the Assembly in electing judges; (3) that the United States contribute a fair share, as determined by Congress, of the Court's expenses; (4) that the statute of the Court be not amended without the consent of the United States.

AMERICAN RELATIONS.—After two months of discussion the Chilean-Peruvian conference in Washington announced on July 14 that an agreement had been reached for the arbitration of the **Tacna-Arica** dispute (*cf.* last RECORD, p. 22). This decision took the form of a compromise. Chile proposed that the United States be invited to arbitrate the conditions under which the Tacna-Arica plebiscite should be held. Peru agreed to this in principle but insisted that the arbitrator decide: (1) whether the plebiscite should be held or not; (2) if a plebiscite should not be held, to which of the disputants should Tacna-Arica go and under what conditions; and (3) if a plebiscite should be held, under what conditions. Unable to agree on these proposals, Chile and Peru submitted the matter to Secretary of State Hughes, who took a middle course, viz., in the event of an affirmative decision by the arbitrator, the conditions of the plebiscite were to be fixed by him, but if the decision should be adverse to a plebiscite, the Chilean and Peruvian governments would call another conference for

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the purpose of deciding how Article 3 of the Treaty of Ancon should be fulfilled. Each country was given two months in which to ratify the protocol signed on July 21 naming the President of the United States as arbiter. The Peruvian National Congress promptly took favorable action, the vote being 94 to 8. In Chile, however, where there was considerable opposition, the two months elapsed and the Government was forced to ask for an extension of time. Finally, on October 16, the Chilean Senate approved, but with reservations considered unacceptable to Peru; the House of Representatives, on the other hand, accepted it in its original form and succeeded on November 30 in passing it a second time by a two-thirds majority, thus overriding the Senate reservations. In March the Peruvian and Chilean delegates arrived in Washington, Señors Porras and Polo representing Peru, and Señors Ernesto Barrosjarpa and Aldunate-Solar representing Chile.

With the object of establishing permanent peace in Central America, a **conference of Costa Rica, Guatemala, Honduras, Nicaragua, Salvador and the United States** assembled in Washington on December 4. As a result a treaty of peace and amity, eleven conventions and three protocols were signed on February 7. The conventions agreed upon dealt with: free trade, establishment of a Central American court, institution of international commissions of inquiry, uniform workmen's protective laws, uniformity in the liberal professions, electoral legislation, agricultural experiments, exchange of students, extradition, permanent Central American Commission, finance and means of communication, and limitation of armaments (Costa Rica, Guatemala, Honduras and Salvador). Limits were placed upon Central American armies ranging from a maximum of 5200 men in Guatemala (population 2,250,000) to 2000 in Costa Rica (population 455,000). Costa Rica refused to sign the free trade convention, although provision was made that she might do so at any time. By the first protocol the United States was given preponderance in the Central American Court, the Washington Government being permitted to designate fifteen citizens of the United States to serve on the tribunal. Guatemala and Honduras agreed to submit their boundary dispute to President Harding for arbitration. None of the treaties was to be denounced before January 1, 1934, except the convention on armament limitation, which was to run until 1929. A declaration was also adopted making the Spanish text of the treaties the only authoritative one.

Progress in the direction of international cooperation, fraternity and solidarity was made at the **Fifth Pan-American Congress,** held at Santiago, Chile, from March 25 to May 3. All the members of the Pan-American Union were represented with the exception of Bolivia, Mexico and Peru. The agenda called for consideration of the fol-

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lowing: organization of the Pan-American Union on the basis of a formal agreement, reduction and limitation of naval expenditures, unification and mutual protection of trade-marks, codification of international law, curtailment and elimination of infectious diseases, Pan-American agreement on laws and regulations to facilitate improved communication, cooperation in supervision of international commerce, simplification and standardization of passports, agriculture and agricultural statistics, means of securing wider application of judicial and arbitral settlement of disputes between American states, standardization of university curricula and mutual recognition of professional degrees, rights of aliens, status of children of foreigners born within jurisdiction of any American republic, protection of archæological and other records valuable for historical purposes, and the suppression of alcoholism. The first item of the agenda, viz., to enlarge the scope of the Union, was approved when the Congress on April 4 adopted the proposal of Dr. L. S. Rowe that the Union be permitted to perform any function conferred upon it by the Governing Board or by subsequent Pan-American conferences. Provision was made for four permanent commissions to deal with economic and commercial relations, international hygiene and intellectual relations. Provision was also made for a Congress to be held in Rio de Janeiro in 1925 to consider codification of American law. Agreement was reached on a number of international health measures, but the proposal of Chile, backed by Brazil, that the question of armaments be adjusted by separate negotiations between the respective nations, defeated any general agreement on armament limitation.

On February 8 it was officially announced that the **United States and Costa Rica** had signed an agreement by which the latter's rights in the San Juan River and Salinas Bay were recognized, thus paving the way for an interoceanic canal through Lake Nicaragua. — Steps toward further cementing the friendly relations between **Canada and the United States** were taken when on July 12 Premier W. L. Mackenzie King and George P. Graham, Minister of National Defense, paid a visit to Washington for the purpose of discussing the formation of a new treaty between Canada and the United States which would incorporate the ideals of the Bush Bagot agreement limiting the naval forces of the two nations on the Great Lakes and Lake Champlain. Other questions discussed included the fisheries on both coasts, the great waterways, Canadian representation at the United States capital, and reciprocal treatment of income taxation. Early in November it was announced that the British Government had consented to permit the Canadians to negotiate a treaty covering the naval question and to have a direct official diplomatic representative at Washington. The first direct convention between the United States and Canada for preservation of the halibut fisheries in the

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Northern Pacific was signed by representatives of the two nations on March 2.—(*Cf.* Mexico, *infra*, p. 64.)

OTHER INTERNATIONAL AFFAIRS. — On December 7 the **Baltic Disarmament Conferences,** meeting in Moscow and composed of representatives of Russia, Poland, Finland, Esthonia, Latvia and Lithuania, agreed to abstain from armed aggression against each other and to settle all disputes by peaceful means.—In January Lithuanian irregulars seized the **Memel district** of East Prussia and set up a temporary government which at its first meeting voted for annexation of the district to Lithuania. The German Government at once broke off diplomatic relations with Kovno while the Council of Ambassadors dispatched a special mission to reestablish order. On February 3 the Allied Powers handed an ultimatum to the Lithuanian Government demanding withdrawal, within seven days, of all armed Lithuanians from the district and the dissolution of the territorial government. Non-compliance, they warned, would be followed by Allied suspension of diplomatic relations with Lithuania and the submission of the whole matter to the League of Nations. Less than two weeks later, however, the Council of Ambassadors awarded the district to Lithuania on condition that the city and its environs be left autonomous and that Poland and other interested nations be allowed to use the port. This arrangement was accepted by the Lithuanian Government on March 16. German and Polish opposition to Lithuanian control led to strikes and rioting during April, but order was finally secured by use of arms. On June 2 a two-year commercial treaty granting most-favored-nation treatment was signed by Lithuania and Germany. — Even more troublesome than the Memel affair was the aftermath of the **Vilna dispute** (*cf.* last RECORD, p. 112). In August a number of pitched battles occurred between the Poles and the Lithuanians, and on October 17 the Poles complained to the Council of the League about the bad treatment they were receiving at the hands of the Lithuanians. In March a particularly stormy session of the Council threatened Lithuania with expulsion from the League for objecting to its plan for the suppression by Poland of armed bands in the neutral zone between the two countries. The Lithuanians were greatly incensed when on March 16 the Council of Ambassadors fixed Poland's eastern and northern boundaries so as to include Vilna and the Vilna district.—The peaceful settlement of the West Hungary or **Burgenland question** between Austria and Hungary (*cf.* last RECORD, p. 85) was reached by arbitration on February 27. The Court decided that Hungary must pay 3,000,000 Swiss francs to Austria for damages done the population of Burgenland by Hungarian insurgents.—On February 25 **Austria and Jugoslavia** signed an agreement abolishing the sequestration of the property of Austrians in Jugoslavia and lifting the restrictions on Jugoslavs in Austria.—

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The Reparation Commission on January 23 divided the old unsecured **Austrian debts** as follows: Austria, 36.82 per cent; Italy, 40.8 per cent; Poland, 17.78 per cent; Rumania, 1.61 per cent; Serbia, 2.04 per cent. —On February 10 the Italian Chamber of Deputies by 225 votes to 20 approved the **Treaty of Santa Margherita** for the settlement of the Adriatic question. The Italian Senate approved the Treaty on February 16.—During the same month negotiations were concluded for a **concordat between Jugoslavia and the Vatican.**—The Russian-Latvian Boundary Commission on April 12 signed at Moscow the agreement which settled definitely the **boundaries between Latvia and Russia.**—A new five-year treaty of **alliance between Czechoslovakia and Jugoslavia,** signed on August 31, extended the terms of agreement concluded between them in 1920.—By the terms of a **Russo-Danish trade pact** signed on April 23, Denmark recognized the Soviet régime as the *de facto* Government of Russia and both states agreed to the mutual exchange of consular and diplomatic representatives.—Norway during the year negotiated **commercial treaties** with Spain and Portugal.—The **International Esperanto Congress** which met at Helsingfors August 10, decided to be represented in the future by two organizations, the Universala Esperanto Associo and a new one called the Constanta Representataro, composed of representatives of Esperanto Societies in various countries. — The fifth diplomatic **conference on international maritime rights** convened at Brussels in October. Twenty-two countries were represented and the League of Nations and the Commissions of the Rhine, the Oder and the Elbe also sent delegates.—At the **International Free Trade Congress** held at Budapest on October 17 a resolution was adopted in favor of free trade "as the sole means of reconstruction in Europe."—The **International Women's Congress** met in Rome during the first week in May; over 1000 delegates attended. — Numerous measures for the suppression and prevention of crime were advocated by the **International Police Conference** which met in New York early in May.—Six hundred and fifty delegates representing labor organizations of twenty-four nations were present at the **Trades Union Congress** which opened at The Hague on December 8. The Labor Bureau of the League of Nations was officially represented. — **Relations between Russia and England** were gravely strained when on May 7 the British government sent the Soviet government an ultimatum in which it threatened to break off trade relations within ten days unless Moscow would give satisfactory assurances that Bolshevist agitation in India, Persia and Afghanistan cease; that the Soviet admit liability for seizure of British fishing boats outside the three-mile limit and for various other offenses against British ships and subjects, and promise compensation therefor. The note further demanded the unequivocal withdrawal of two Soviet communications made in reply to previous British protests

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concerning the Russian anticlerical movement. After considerable parley Moscow yielded substantially to the British demands.—Neither France nor the United States had as yet seen fit to modify their policy in respect to **Russia,** although during the year there were indications that France would welcome a rapprochement. In October arrangements were made for the admission of a Russian Red Cross Mission to France to supervise the repatriation from France of former Russian soldiers. During the same month a French economic mission, headed by M. Herriot, leader of the Radical Socialist Party, returned from Moscow and reported that the time was favorable for resumption of relations. Russia, M. Herriot declared, was steadily evolving toward a conservative peasant republic. On this basis he advocated a Franco-Russian commercial entente. Moreover he was of the opinion that Russia would pay the French debt if aided. The unchanged attitude of the United States was restated by Secretaries Hughes and Hoover during March. Replying to a delegation representing the Women's International League for Peace and Freedom, Secretary Hughes emphatically contradicted their statement that the Soviet had met the conditions for recognition as laid down by the present Government of the United States. The policy of the Soviet, he asserted, still involved repudiation of international obligations, confiscation of private property, and the pursuit of revolutionary activities subversive of other governments.—On August 29 the **Permanent Court of Arbitration** at The Hague directed the United States to pay Norway approximately $12,000,000 as damage for Norwegian ships requisitioned by the United States during the war. With the draft in payment, made February 26, Secretary Hughes sent a note sharply criticizing the award by the Tribunal because it failed to give any satisfactory explanation of the manner in which the amount was determined.—On October 26 the last contingent of Japanese troops left the harbor of Vladivostok, and Japan was enabled officially to announce that she had faithfully kept her pledge, made at Washington, to evacuate **Siberia** (*cf.* last RECORD, p. 9). Control of the military warehouses of the city was turned over to representatives of Soviet Russia and the Far Eastern Republic inasmuch as Chita troops had already overwhelmingly defeated the forces of the Vladivostok White Government. Evacuation followed soon after the abrupt termination of the **Russo-Japanese parley** which opened at Chang-Chun on September 4. At this conference Russia sought Japanese recognition and evacuation of the northern half of Saghalien. The Japanese on their side desired three things: guarantees of life and property for Japanese subjects in the territory of the Far Eastern Republic; safeguards against direct or indirect menace to boundaries between the Far Eastern Republic and Japan; and the abrogation of all limitations for Japanese subjects in the domain of economic activities. Japan's

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firm refusal to evacuate Saghalien wrecked the conference, the Japanese delegates declaring that the territory would be held until Japan got satisfaction for the Nikolaevsk massacre of 1920 (*cf.* last RECORD, p. 122). M. Joffe, head of the Russian delegation, asserted that Russia would never pay an indemnity for this massacre inasmuch as it was committed by partisans and precipitated by the Japanese themselves.

II. THE UNITED STATES

THE ADMINISTRATION.—During the period under review there were several **changes in the cabinet and other important appointments.** Early in January Albert B. Fall announced that on March 4 he would retire from office as Secretary of the Interior. This was the second change in the cabinet since it was originally constituted in March, 1921. Dr. Hubert Work, who had served as Postmaster General since Mr. Hays's resignation, was transferred to the Department of Interior and the place thus vacated was given to Harry S. New who had been defeated for renomination as United States Senator from Indiana by ex-Senator Beveridge.—In September President Harding appointed ex-Senator George Sutherland of Utah as a member of the United States **Supreme Court** to fill the vacancy created by the resignation of Justice John H. Clarke. The following month, Justice Day resigned. His place was filled by the appointment of Pierce Butler of St. Paul. In January the President selected Judge Edward T. Sanford of Tennessee as the successor of Justice Pitney.—On February 28 the President named Dwight Davis of St. Louis to be **Assistant Secretary of War** in succession to J. Mayhew Wainwright, who was elected to Congress from a New York district.—After long delay the President appointed D. R. Crissinger, of Marion, Ohio, as Governor of the **Federal Reserve Board** to succeed W. P. G. Harding. James C. McNary, of New Mexico, was named to succeed Mr. Crissinger as Controller of the Currency. The farm organizations seemed to be well pleased by the selection of Milo D. Campbell, president of the National Milk Producers' Association, and Edward H. Cunningham, secretary of the Iowa Farm Bureau Federation, as additional members of the Federal Reserve Board. — Frank W. Mondell, who was defeated in the November election for United States Senator from Wyoming, was selected to fill the vacancy in the Board of the **War Finance Corporation,** created by the elevation of Colonel Davis to the post of Assistant Secretary of War. Mr. Mondell was Republican floor leader in the House during the Sixty-sixth and Sixty-seventh Congresses and served as Congressman for twenty-six years. — Late in May, Bert E. Haney of Oregon was appointed a member of the **Shipping Board,** and upon the resignation of Albert D. Lasker, chairman of the board, Edward P. Farley, formerly vice-president of the

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Emergency Fleet Corporation, was appointed chairman.—In January Philip Elting was named Collector of Customs for the port of New York. — Charles R. Forbes resigned in February as Director of the Veterans' Bureau and Brigadier-General Frank T. Hines was appointed to fill the vacancy.—The same month Horace M. Towner of Iowa succeeded E. M. Reily as governor of **Porto Rico.** — In June Henry H. Curran, who was defeated by Mayor Hylan in the last New York City mayoralty election, was appointed Commissioner of Immigration at New York to succeed Robert E. Tod, resigned. — In September the President appointed Conrad E. Spens as Fuel Distributor, and in October, John Hays Hammond, Thomas R. Marshall, Judge Samuel Alschuler, Clark Howell, George Otis Smith, Dr. Edward T. Devine and Charles P. Neill as members of the fact-finding **Coal Commission,** under recently enacted statutes (*cf. infra*, p. 34). — The following important appointments were made in the **diplomatic service** during the past year. In July President Harding selected in addition to Secretary Hughes as chairman, Major-General Bullard, Admiral Jones, and Chairman Porter of the House Committee on Foreign Affairs, to constitute the American Commission to attend the opening of the **Brazil Centennial Exposition** on September 7.—The American official **"observers" at the Lausanne Conference** (*cf. supra*, p. 13) of November and December were Admiral Bristol from Constantinople, Ambassador Richard Washburn Child from Rome, and the American Minister to Switzerland, Mr. Joseph C. Grew.—In January Robert W. Bliss of New York was named minister to Sweden to succeed Ira Nelson Morris who had resigned. Early in March Charles B. Warren resigned as Ambassador to Japan and Cyrus E. Woods of Pennsylvania, Ambassador to Spain, was transferred to Tokio. Alexander P. Moore of Pittsburgh succeeded to the position at Madrid. About the same time the President selected Richard M. Tobin of San Francisco to be Minister to the Netherlands.—In May former Ambassador Warren and John Barton Payne, formerly chairman of the United States Shipping Board and Secretary of the Interior in the Wilson administration, were selected to confer with representatives of the Mexican government at Mexico City with a view to the settlement of the outstanding differences between the two governments.

The **Treasury Department** made considerable progress in the reduction of the war debt. The peak was reached on August 3, 1919, when the total debt was $26,596,000,000. On July 1, 1922, the debt had been reduced to $22,963,000,000. The Victory Loan of $4,250,000,000 matured in May. Secretary Mellon took advantage of the change in interest rates and accounted for $2,000,000,000 of the Victory Loan partly by redemption and partly by conversion into new obligations due in a few years. In August it was announced that the 4¼ per cent 4-year Treasury loan had brought $475,000,000 in subscriptions. Vic-

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tory Bonds to the amount of $130,000,000 were exchanged for these new securities. In October Secretary Mellon called for subscriptions to a loan of $500,000,000, the first long-term loan floated in the country since the war. The bonds bore 4¼ per cent interest and were to run for 25 to 30 years. This was largely over-subscribed. When early in May the Secretary announced an issue of Treasury notes amounting to $400,000,000 to be used in retiring the outstanding Victory Bonds, he made a report on the year's debt-refunding operations. His policy had been to pay off and refund short-time notes in a manner that would bring their maturity dates at convenient times before the maturity of the Third Liberty Loan in 1928. A week after the notes were offered the Secretary was able to announce that they had been over-subscribed two and one-half times. Moreover, it was believed that the total debt at the close of the fiscal year would be reduced to $22,400,000,000, and that instead of a deficit of something like $500,000,000 that had been generally anticipated, the Treasury would show a substantial surplus at the end of the fiscal year. The results were even better than this, for on June 30 General Lord, Director of the Budget, was able to announce that the year just closing showed an excess of about $310,000,000 of receipts over expenditures. The Director said: "One year ago the estimated receipts and expenditures indicated a deficit of $823,000,000 for the fiscal year 1923. The difference of $1,133,000,000 between this estimated deficit and the present estimated surplus of $310,000,000 is accounted for by an increase in receipts of $767,000,000, and a reduction in the total expenditures of $366,000,000. The difference in receipts was occasioned by an increase of $213,000,000 in customs receipts, $423,000,000 in internal revenue receipts, and $131,000,000 in miscellaneous receipts." The Treasury issued a statement on July 1 stating that the public debt had been reduced to $22,349,707,365. — Secretary of the Treasury Mellon in his annual report to Congress in December recommended a reduction of the maximum income surtaxes from 50 per cent, the then existing rate, to 25 per cent, on the ground that the higher rates by encouraging large taxpayers to reduce their taxable income rendered them less productive than the lower rates would be.

There was a strong conviction among the higher officers of the **Army** that the strength of the Army was below the minimum standard of safety. Thus General Pershing at the annual convention of the Reserve Officers Training Association, held early in October at Washington, said that there must be a minimum of 150,000 enlisted men and 13,000 officers. Secretary Weeks, in his annual report to Congress on December 1, declared the existing authorized regular army strength of 125,000 men and 12,000 officers inadequate. He made a similar statement in an address on May 25. But in spite of these suggestions the 1924 annual Army Appropriation Act made provision

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for only 125,000 enlisted men and 12,000 officers.—(*Cf. supra*, p. 8, for American Army of Occupation.)

In December the **Navy Department** consolidated the Atlantic and the Pacific fleets under the single command of Admiral Hilary P. Jones.—Secretary of the Navy Denby in his annual report last December stated that because of the financial and economic situation no requests for a larger navy would be addressed to Congress. No new American capital ships could be laid down during the ten-year naval holiday, but officers were insistent upon the addition of light cruisers, submarines and other types of vessels the building of which was not affected by the decisions taken by the Washington Conference.—In February President Harding by an executive order set aside more than 35,000 square miles in Alaska as an oil reserve to insure fuel for the navy.—The plan of elevating the guns on American battleships, for which Congress appropriated $6,500,000, was temporarily abandoned on account of the question as to whether it was strictly in harmony with the Washington agreement.—According to a White Paper issued by the British government in May the battleship strength of the various powers was as follows: United States, 31 (8 being scrapped under the naval agreement and 5 more shown as being dismantled); Britain, 18; Italy, 12; Japan, 11 (5 to be scrapped); France, 9; Germany, 8; and Russia, 4.

The Government continued to lose money on its merchant marine but the losses were greatly reduced. This was indicated by the **Shipping Board's** announcement on March 1 that the loss during the last four months' operation of its vessels had amounted to $16,000,000. It was because of this regular deficit and the enormous depreciation of idle ships that the President favored the subsidy scheme (*cf. infra*, p. 36). On September 12 the Government's fleet of 226 wooden ships built during the war was sold at a private competitive sale by the United States Emergency Fleet Corporation to George D. Perry of San Francisco for $750,000. The cost of each vessel was about $700,000. The ships had been idle since the war and had suffered serious depreciation. The degree to which the Government's ships were idle was indicated in a statement made on January 21 by J. B. Smull, President of the Emergency Fleet Corporation. There were then 1,379 vessels under the control of the corporation. Their combined tonnage was 9,846,611. During the previous month 386 ships with a tonnage of 3,297,451 were assigned to trade while among those not in operation were 874 steel steamers with a tonnage of 5,585,160.

On July 1 President Harding ordered the **Alien Property Custodian**, Colonel Thomas W. Miller, to secure the return of all German dye and drug patents and the proceeds therefrom from the Chemical Foundation of New York, to which concern the previous alien cus-

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todian had sold the seized property. The head of the Chemical Foundation was Francis P. Garvin, formerly Alien Property Custodian. In Congress charges had been made to the effect that patents worth from fifteen to twenty millions had been sold for the sum of $250,000. Mr. Garvin declared that the order followed a conference at Washington between representatives of the German chemical industry and representatives of the Attorney General, and that it was all the result of a trick on the part of the Germans to regain control of important drug and dye processes. The government instituted a suit for the dissolution of the Chemical Foundation and the reclamation of German patents in the Federal district court at Wilmington, Delaware. The trial was still in progress at the end of June. Congress passed and the President signed on March 5 a bill providing for the return of alien trusts up to $10,000 in value.

There was much criticism of the three per cent **immigration law** on the part of large employers of labor, and also considerable sentiment in favor of still further restriction, but the law was not modified. The number of immigrants coming to the United States during the fiscal year closing June 30 was 328,995. The annual quota allowed under the law was 357,803. Most of the countries, including the United Kingdom, had sent their full quota. On the last day of the fiscal year it was estimated that 7,690 immigrants would land at Ellis Island on the following day, July 1.

One of the most discussed questions of the year was the **prohibition enforcement** issue. The particular questions that caused legal difficulties were those relative to the sale of liquor on American ships on the high seas and the transportation of liquor by foreign ships within the three-mile limit. Early in October President Harding, in accordance with an opinion of the Attorney General, ordered all American ships to cease furnishing liquor to passengers and forbade the transportation of liquors by foreign ships within the three-mile limit. The Attorney General declared that for certain purposes American ships at sea were national territory subject to American laws. This decision was quite contrary to the views of Mr. Lasker of the Shipping Board. A few weeks later Sir Auckland Geddes, the British Ambassador, informed the State Department that Great Britain could not agree to Mr. Hughes' proposal of June that the searching of vessels within a twelve-mile zone be allowed. This proposal was made with a view to dealing with large-scale liquor-smuggling. Mr. Daugherty's decision brought forth many legal complications. Bills were filed on behalf of various American steamship companies seeking injunctions against the enforcement of the ruling. It was argued that American vessels could not compete with foreign vessels in the passenger service under the ruling and that Congress could not have had in mind such a blow to the American shipping interests. On October 27 Judge

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Hand of the Federal district court in New York decided against these pleas of the shipping men and the cases were appealed to the Supreme Court. The decision of that court, handed down on April 30, held that the Volstead law did not apply to American ships on the high seas, thus overturning the Government's position on a ruling by Mr. Daugherty, but it held also that neither American nor foreign ships could bring intoxicating beverages inside the territorial waters of the United States as ship stores or in bond or sealed. This decision caused controversy with foreign nations, several of which by law required the carrying of liquor rations for ship crews. On June 3 the Treasury Department issued regulations enforcing the court's decision, barring liquor for beverage purposes on all ships in the territorial waters of the United States. After June 10 any vessel which cleared a foreign port was required to be "dry" when it entered our territorial waters. Under this ruling liquor could be retained for medicinal purposes, but in that case a permit must be obtained from a medical officer of the American Public Health Service. At the close of the period under review there was agreement that new laws were necessary to deal with the problem. According to figures presented to the Appropriation Committee of the House near the end of the last session of Congress the enforcement of national prohibition and the cost of preparing for trials was $15,450,700 for the last fiscal year. It was also shown that 44 per cent of the work of United States district attorneys was taken by such trials. Congress appropriated for the enforcement of prohibition $9,000,000 directly in the 1924 Treasury appropriation act. Besides this expense, however, it was estimated that almost one-half of the Department of Justice appropriation also went to the enforcement of prohibition.

The commission appointed to prepare a **plan for the reorganization of the national administrative agencies** submitted a report to the President on December 13 recommending the consolidation of the War and Navy departments into a Department of National Defense to function under a cabinet member with assistants in charge of the army and navy. It was also proposed to establish a Department of Education and Welfare with a cabinet officer at its head. This department would contain, beside the educational activities now under the Interior Department, the Public Health Service, part of the work of the Women's Bureau, and a part of the work of the Children's Bureau, the Veterans' Bureau, now independent, and the Bureau of Pensions now in the Interior Department. The Department of the Interior would be organized under the Secretary of the Interior with an Assistant Secretary for Public Works and an Assistant Secretary for the Public Domain. The plan included numerous other transfers of agencies.

During the last weeks in June President Harding started on his

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tour to Alaska. In his speeches he advocated conditional American participation in the World Court of Justice (*cf. supra*, p. 20).

CONGRESS.—The **second session of the Sixty-seventh Congress,** which convened on December 5, 1921, adjourned *sine die* on September 22. The House, however, having passed a number of important bills still pending in the Senate, took a recess from June 30 to August 15. This period the Senate devoted mainly to the consideration of the **Fordney Tariff Bill** (*cf.* last RECORD, p. 37). This bill had been passed by the House in July, 1921, and provided not only for substantial increases in the rates established in 1913 but for the principle of American valuation. The Senate Finance Committee, after considering the measure nearly a year, reported it to the Senate in April with more than two thousand amendments. On July 5, when the great majority of items of the bill had not yet been acted on by the Senate, the Republican leaders sought to limit debate by a resolution to proceed under the clôture rule. They failed to secure the necessary two-thirds vote, however, and debate continued as before.—One of the most sensational debates occurred on the proposal of the Senate committee to continue the war-time embargo on foreign dye materials. A similar provision had been embodied in the Fordney Bill but the House rejected it. Senators Moses of New Hampshire and King of Utah so effectively attacked the dye embargo as an attempt to favor the dye monopoly at the expense of the people that on July 15 the committee proposal was defeated by a vote of 32 to 38, fourteen Republicans voting with the Democrats against it. In spite of these votes in both houses against the dye embargo the conference committee reintroduced it. When the conference report came before the House, that body ordered the bill back to conference with instructions to strike out the embargo provision and to place potash on the free list. The vote was 177 to 130. One of the most persistent lobbies in recent years thus failed to get all that it wanted. The rates on most dyes, however, were made so high as to amount to a practical embargo at least for two years.—The Senate committee suffered defeats on several proposals. For example, on July 20 the Senate reduced the committee's high rates in the cotton glove schedule to 75 per cent ad valorem by adopting Senator Lenroot's amendment. Again, on August 9 hides were placed on the free list. The committee had recommended a duty of four cents a pound on dried hides and two cents on raw hides.—The woolen schedule, with its name changed from schedule K to schedule 11, again was made the subject of bitter controversy. This time, however, an amendment to reduce to sixty per cent ad valorem the rates on woolen imports was defeated by a vote of 22 to 43. According to Senator Lenroot, the committee report recommended duties on wool 83 per cent above those of the Payne-Aldrich law. An interesting discussion was introduced in the debate on this

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schedule when Senator Caraway of Arkansas demanded an inquiry into the financial and professional interest of Senators in the pending schedule. A few days later Senator Gooding of Idaho, who admitted that he was personally interested in wool-raising, offered a resolution to investigate not only the financial interests of members in wool and other products covered by the proposed tariff but also the interest of members and others in newspapers which opposed the pending measure. This resolution was reported unfavorably by the committee to which it had been referred.—On August 8 the Senate fixed the duty on sugar at $2.30 per hundred pounds (less twenty per cent on Cuban importations). The Underwood Law set the duty at $1.20. —The Senate refused to accept the American valuation plan of the House but on August 11 substituted a provision under which the President, until July 1, 1924, when the Tariff Commission upon investigation finds that the rates established do not equalize the difference in the cost of producing American and foreign goods, may increase or decrease the rates not more than fifty per cent. This amendment the Senate approved by a vote of 36 to 20. In discussing it Senator Simmons said, "The powers given the President in the elastic tariff provisions will not only introduce the element of uncertainty of the tariff in a most aggravated form but the powers conferred upon the President will be capable of making or breaking a particular industry, and a political machine will be created under which any business affected directly or indirectly by the tariff would not desire to be out of favor with the Administration."—On August 18 the Senate passed the tariff bill by a vote of 48 to 25. Borah of Idaho was the only Republican who voted against the bill. Three Democrats, Broussard and Ransdell of Louisiana, and Kendrick of Wyoming, voted for it.—It was not until September 12 that the conference committee came to an agreement on the thousands of differences between the two houses and reported the compromise measure. From some of its decisions the conferees had to recede, as has been indicated, but most of its recommendations were accepted. Moreover, as is usually the case, the House receded from its decisions more frequently than did the Senate. Congressman Garner of Texas in speaking of the breakdown of the House as a deliberative body stated that the House had yielded more than thirty times as often as had the Senate on the tariff bill. The amended conference report was adopted by the House on September 15 by a vote of 210 to 90. Fourteen Republicans voted against it while five Democrats approved it. The Senate accepted it on September 19 by a vote of 43 to 28, and the President signed it two days later. The law went into effect at once. Although it was an exceedingly difficult matter to determine because of the many differences made in the classification of imports, it was generally agreed that the tariff act of 1922 represented the

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highest protective tariff the country had ever enacted. It was estimated by the Treasury that the new law would provide about $400,000,000 in revenue annually — an increase of $100,000,000 over that produced by the Underwood Act of 1913.—The Soldiers' **Bonus Bill** which had passed the House on March 23, 1922 (*cf.* last RECORD, p. 37) was reported in an amended form to the Senate on June 8. It was discussed from time to time during the tariff debates and was finally approved by the Senate on August 31 by a vote of 47 for (27 Republicans and 20 Democrats) and 22 against (15 Republicans and 7 Democrats). The House had passed the bill without providing the means for raising the required revenues. The Senate adopted an amendment to the effect that the bonus should be paid from the interest received from foreign governments on the war indebtedness to the United States. Another Senate amendment provided for the reclamation of swamp lands to create homesteads for veterans. This would have involved an additional expenditure estimated at $350,000,000. On September 11 the conferees agreed to strip the bill of the two features just mentioned and to limit applications for compensation to five years. The report was approved by both houses, but on September 19 the President returned the bill with a veto message stating his accord with the avowed purpose of the bill but disapproving its provisions. He said: "In legislating for what is called adjusted compensation Congress fails, first of all, to provide the revenue from which the bestowal is to be paid. Moreover, it establishes a very dangerous precedent of creating a Treasury covenant to pay which puts a burden variously estimated between four and five billions upon the American people, not to discharge an obligation which the Government always must pay but to bestow a bonus which the soldiers themselves while serving in the World War did not expect." On the next day the House passed the bill over the veto by a vote of 258 to 54, but the Senate sustained the veto. The vote in the Senate was, 44 for passing the bill over the veto, 28 against—four less than the required two-thirds.—On August 18 President Harding appeared befor a joint meeting of the two houses of Congress to urge legislation necessary to meet the crisis caused by the great coal strike (*cf. infra*, p. 57). In response to this request Congress enacted two laws. One of them provided for the establishment of the United States **Coal Commission** composed of not more than seven members to be appointed by the President with the consent of the Senate. It was made the duty of the commission to investigate and ascertain fully the facts and conditions of the coal industry and study the problems relative to it in order to aid Congress in matters of legislation designed to assure a supply of coal to the country and maintain the uninterrupted flow of commerce among the states. The commissioners were provided with salaries of $7,500 and $200,000 was appropriated

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for the carrying out of the act. The other act, known as the **Government Coal Distribution and Price Control Bill,** declared a national emergency in the production and transportation of coal, increased the powers of the Interstate Commerce Commission during the emergency to include authority to issue orders for priorities in car service and for embargoes and to prevent purchases and sales of coal at unjust prices. A Federal Fuel Distributor, appointed by the President, was provided to act under the direction of the President in enforcing the law. For the purposes of the act $250,000 was appropriated. Both of these measures were approved by the President on September 22.—Another law approved on the last day of the session was that allowing **alien married women** to become naturalized independently of their husbands' naturalization. The act further provided against the automatic loss of an American woman's citizenship by her marriage to an alien, and for the restoration to citizenship of such women as may have heretofore lost their citizenship by such marriages.—Among the **other laws** passed during this session were the following: An act to pension soldiers and sailors of the Spanish War and the Philippine insurrection; an act providing for twenty-four additional United States district judges; an act regulating transactions in grain for future delivery so as to obviate the constitutional objections of the Supreme Court to the law passed in August, 1921 (*cf.* last RECORD, p. 39); an act requiring interstate railway carriers to issue interchangeable mileage tickets; and an act authorizing the creation of corporations for the purpose of engaging in business within China. On September 22 the first deficiency appropriation for the year 1923 became law. It carried a total of $2,454,210.—In reviewing the accomplishments of the Sixty-seventh Congress, Floor Leader Mondell, on September 20, declared, "The marvelous achievements of the American people under the leadership and in harmony with the policies of the Republican Party have no parallel in human history, and the roster of the great men who have served the nation and the world as Republicans stands unrivaled in the annals of time." The session adjourned on September 22.

The **elections** held on November 7 increased greatly the number of Democrats in both houses of Congress. The Sixty-seventh Congress was overwhelmingly Republican. In the House there were 300 Republicans, 131 Democrats and one Socialist; in the Senate there were 60 Republicans and 36 Democrats. The membership of the Sixty-eighth Congress, on the other hand, comprised in the House 223 Republicans, 206 Democrats, one Independent, one Farmer-Labor, and one Socialist; and in the Senate 53 Republicans, 42 Democrats, and one Farmer-Labor. Democratic Senators were elected to succeed Republicans in Delaware, Indiana, Maryland, Michigan, New Jersey, New York, West Virginia and Washington, while Republicans

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succeeded Democrats in Nebraska and Ohio. In Indiana ex-Senator Beveridge, who had defeated Senator New in the Republican primaries, was defeated by former Governor Samuel M. Ralston, Democrat. William C. Bruce succeeded Joseph I. France as Senator from Maryland. West Virginia failed to re-elect Senator Sutherland and sent instead Matthew M. Neely. Senator Townsend's defeat in Michigan was a sequel of the Newberry contest. His successor was Woodbridge N. Ferris, a former governor of the state. As a result of the election, Truman Newberry resigned his position as Senator from Michigan and was succeeded by Mayor James Couzens of Detroit. In New Jersey Senator Frelinghuysen was defeated by Governor Edward I. Edwards; and in New York Senator Calder was defeated by Royal S. Copeland, who was Commissioner of Health in New York City. In Washington Senator Poindexter was defeated by a Democrat, C. C. Dill. One of the most noteworthy changes in the Senate as a result of the election was the defeat of Senator Kellogg of Minnesota by Dr. Henrik Shipstead, the nominee of the Farmer Labor party. The voters of Missouri returned Senator Reed, anti-Wilson Democrat, for another term. In Ohio Simeon D. Fess, Republican, defeated Senator Pomerene by a small margin, and in Nebraska R. B. Howell defeated Senator Hitchcock. An interesting incident of the elections was Senator Lodge's narrow escape from defeat. He ran far behind his ticket and was returned by a plurality of 7,000.—The only Socialist elected to the Sixty-eighth Congress was Victor Berger, who was chosen as Representative from Milwaukee. Ohio sent six Democrats to replace Republicans in the House; New Jersey, 5; Indiana, 5; Illinois, 4; and New York, 13.

Shortly after the election President Harding called the Sixty-seventh Congress in **special session** to consider particularly the ship subsidy plan. The session lasted from November 20 to December 4. On November 21 the President appeared before a joint session of the two houses and delivered a plea for his **ship subsidy plan** which he had urged from time to time but which had not been acted on by either house. He said: "We have the unavoidable task of wiping out a $50,000,000 annual loss in operation, and losses aggregating many hundreds of millions in worn-out, sacrificed, or scrapped shipping." His plan would, he believed, provide for an American merchant marine, privately owned and privately operated, but serving all the people and always available to the Government in any emergency. He denied that the measure would aid special interests and enrich a few at the expense of the Treasury. The Ship Subsidy Bill was passed by the House on November 29, by a vote of 208 to 184. Sixty-nine Republicans voted against the bill and only four Democrats voted for it. Several far-reaching amendments were made by the House, however. Among them were the following: exclusion from

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the subsidy provisions of vessels owned by large corporations, such as Standard Oil, United Fruit, and United States Steel, when engaged in transporting their own products solely; elimination of a section giving a rebate from income taxes equal to five per cent of freight money paid American vessels; the increase from two to four and one-half per cent in interest to be charged on loans made under the construction loan fund; prohibition of the sale of ships by the Shipping Board without advertisement and competitive bids; and a provision against expenditure from the Merchant Marine fund except under annual congressional appropriations. — In the Senate the **Dyer Anti-Lynching Bill,** passed by the House early in 1922 (*cf.* last RECORD, p. 37), was scheduled to pass by Republican leaders. However, the Democrats, led by Senator Underwood, conducted a filibuster against it so successfully that after several days the Republican caucus decided to abandon all attempts to pass the bill either during the special session or the regular session about to begin.

The fourth session (second regular) of the Sixty-seventh Congress began on December 4 and adjourned on March 3. On December 8 President Harding delivered to the two Houses his **annual message.** He devoted himself chiefly to domestic affairs although he commended the "hostility of the American people to a supergovernment or to any commitment where either a council or an assembly of leagued powers may chart our course," praised the effect of the Four Power Pact "which abolishes every probability of war in the Pacific," and contended that the United States was playing a "helpful part" in the world. He renewed his previous recommendation for a constitutional amendment restricting the issue of tax-exempt securities and urged an amendment granting Congress power to regulate child labor. He dwelt upon the injury caused by railway strikes and recommended that the Labor Board be reconstituted as a labor division of the Interstate Commerce Commission with power to hear and decide disputes relating to wages and working conditions which fail of adjustment by proper committees created by the railways and employees. In this way he thought the evils brought by the present partisan personnel of the board could be eliminated. The President declared that the flexibility provisions of the new tariff law imposed large responsibilities upon the executive, and he promised to discharge these responsibilities with a "broad mindfulness of the whole business situation." He also recommended the strict enforcement of the prohibition laws, and the enactment of a law providing for the registration of all aliens before enlarging the immigration quotas.—On December 4 the President submitted to Congress **the budget** for the fiscal year ending June 30, 1924. He stated that the excess of receipts over expenditures for the fiscal year ending June 30, 1922, amounted to $313,801,651 and that the estimated deficit for the cur-

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rent fiscal year (1923) would be reduced to $273,936,712. The original budget estimates called for a total expenditure for the year 1924 amounting to $3,078,940,331, but subsequent supplemental estimates submitted to Congress brought the total up to $3,124,098,841, exclusive of postal expenditures payable from postal revenues. According to Martin B. Madden, chairman of the House Appropriations Committee, the appropriations, regular, annual, permanent, and indefinite, made by Congress for the fiscal year 1924, were as follows: Agricultural Department, $85,061,453; Commerce and Labor Departments, $28,849,197; District of Columbia, $26,086,825; Executive and Independent offices, $508,062,058 (including $428,160,773 for the Veterans' Bureau); Department of the Interior, $325,869,509 (including $254,774,660 for pensions); Legislative Establishment, $14,421,911; Navy Department, $297,097,250; Post Office Department (payable from postal revenues), $585,221,759; Departments of State and Justice, $34,602,721; Treasury Department, $1,452,311,895 (including $950,000,000 for interest on the public debt and $345,097,000 public debt redemption funds); and War Department, $349,192,582 (including $28,964,150 in excess of the budget estimates for rivers and harbors). The total for the eleven acts was $3,121,566,923 exclusive of Post Office expenditures payable from the postal revenues. Of this total $2,287,211,166 was for the regular annual expenditures, $1,383,754,103 represented permanent and indefinite appropriations, and $35,811,893 was for increased compensation. On January 22 the second deficiency appropriation bill for 1923 carrying $74,925,774 was signed by the President. The third deficiency bill for 1923 was approved on March 4. It carried $156,359,742.

Although Congress was occupied chiefly during the session with the annual appropriation bills, a number of **other measures** were enacted. The most important of these were the **Agricultural Credits Act** and the British Debt Refunding Act. The former was passed by Congress on the last day of the session and was a compromise measure based on a number of bills that had been discussed for several months. The act as approved provided for government credit to farmers and for the making of loans by private organizations on livestock and farm products on their way to market. There were to be Intermediate Credit Banks, one for each of the present Federal Land Banks. The capital stock of these banks ($5,000,000 each) was to be subscribed, held and paid by the United States government. The banks were to be managed by the officers of the Land Banks. The Intermediate Credit Banks were authorized to sell debenture notes, secured by farmers' notes discounted by banks, to investors. The farmers' notes could be carried for terms varying from six months to three years. The other section of the bill allowed the establishment of private farm credit corporations supervised in the same

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manner as national banks. These organizations were required to have a capital stock of at least $250,000.—The **British Debt Refunding Act** provided that the principal of the debt, amounting to $4,600,000,000 on December 15, was to be paid in annual instalments on a fixed schedule, subject to the right of the British Government to make these payments in three-year periods. The amount of the first year's instalment was to be $23,000,000, and the annual instalments were to increase with due regularity during the life of the bonds until, in the sixty-second year, the amount of the instalment would be $175,000,000, the aggregate of the instalments being equal to the principal of the debt. The British Government had the right to pay off additional amounts of the principal on any interest date upon ninety days' previous notice. Interest was to be due on December 15 and June 15 of each year, at the rate of three per cent per annum payable semi-annually from December 15, 1922, to December 15, 1923, and thereafter at the rate of three and one-half per cent until final payment. The law amended the act of February 9, 1922 (*cf.* last RECORD, p. 36) by providing that the World War Foreign Debt Commission should consist of eight members, including as chairman the Secretary of the Treasury, and seven to be appointed by the President with the advice and consent of the Senate. Not more than four members belonging to one party were to be appointed.—On January 3 President Harding vetoed the **Bursum Pension Bill,** which provided pensions at the rate of $50 a month to all widows of veterans of the Civil War and increased the pensions of the veterans themselves from $50 to $72 a month. The bill if approved would have required an immediate annual expenditure of more than $100,000,000. The President concluded his veto message with the following statement: "The compensation paid to the widows of World War veterans, those who shared the shock and sorrows of the conflict, amounts to $24 per month. It would be indefensible to insist on that limitation upon actual war widows if we are to pay $600 per year to widows who marry veterans sixty years after the Civil War."—The House passed the **Subsidy Bill** on November 29 with a number of important amendments (*cf. supra*, p. 36) and on December 9 the Senate committee reported the bill favorably. It was debated frequently in the Senate but it never had a good chance of passage. In spite of the President's repeated pleas for favorable action on this proposal, the Senate on February 28, just a year after the President had first advocated it before Congress, voted by 63 to 7 to displace that measure and to make the Filled Milk Bill the unfinished business. The Subsidy Bill had been laid aside on January 15 to make way for agricultural credits legislation. The opposition to the bill came chiefly from the agricultural regions. The so-called "agricultural bloc" was largely instrumental in securing its defeat.—The **Filled Milk Bill** approved

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by the President on March 4 declared that filled milk was an adulterated article of food, injurious to the public health, and that its sale constituted a fraud upon the public. It was made unlawful for any person to manufacture within any territory, or possession, or within the District of Columbia, or to ship or deliver for shipment in interstate or foreign commerce, any such milk. The act was another example of national police regulations passed by Congress under the commerce clause.—The **Naval Appropriation Bill** contained a clause requesting the President to enter into negotiations with Great Britain, France, Italy and Japan with the view of reaching an understanding or agreement relative to limiting the construction of all types and sizes of sub-surface and surface craft of 10,000 tons or less, and of aircraft.—On January 9 the House Judiciary Committee voted 12 to 2 to dismiss Congressman Keller's **impeachment charges against Attorney General Daugherty,** and on January 25 the House sustained the Committee report by voting 204 to 77 that the charges were without foundation.—The **Classification Act of 1923,** approved by the President on March 4, was designed to bring about a more satisfactory relation between the work done and the salaries received by civil servants. The act provided for the establishment of an ex-officio board to be known as the Personnel Classification Board and to consist of the Director of the Budget or someone designated by the Director, a member of the Civil Service Commission, designated by the Commission, and the Chief of the United States Bureau of Efficiency, or someone designated by him. The board was to make the necessary rules and regulations and provide such subdivisions of the grades established by the act as it deemed necessary according to the kind and difficulty of the work. Its regulations were to provide for ascertaining and recording the duties of position and the qualifications required of incumbents. Department heads were required to report the duties and responsibilities of new positions to the board. After consultation with the board, and in accordance with a uniform procedure prescribed by it, the head of each department must allocate all positions in his department to their appropriate grades on the compensation schedules. In determining the rate of compensation to be received by an employee, the principle of equal compensation for equal work irrespective of sex was prescribed. The compensation schedules provided for in the law were as follows: professional and scientific service (seven grades), from $1,860 to $7,500; sub-professional service (eight grades), $900 to $3,000; clerical, administrative and fiscal service (fourteen grades), $1,140 to $7,500; custodial service (ten grades), $600 to $3,000; and clerical-mechanical service (five grades), 45 to 50 cents an hour to $3,600 per year. The law required the estimates of the expenditures and appropriations to be set forth by the President in December, 1923, to conform to the

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classification adopted in this act. — Several important **constitutional amendments** were discussed during the session but none of them received the required two-thirds approval of both houses. On January 23 the House voted to submit an amendment against tax-exempt securities in harmony with the President's repeated recommendation, and on February 13 the Senate adopted the Norris resolution proposing an amendment to advance the date of the assembling of Congress to the first Monday in January and the inauguration of the President to the third Monday in January. The vote was 63 to 6.— On February 24 the Senate received a message from the President urging consent to participation by the United States in the protocol establishing the Permanent Court of International Justice at The Hague. The President referred to Secretary Hughes' memorandum suggesting such reservations as would keep us free from any legal relation to the League of Nations. On March 2 the Senate Foreign Relations Committee postponed until the next regular session of Congress the consideration of the President's proposal (*cf. supra*, p. 20).

FEDERAL JUDICIARY. — Among the more important decisions of the United States Supreme Court during the period under review were the following: The laws of the United States providing that free white persons may become naturalized American citizens do not authorize the naturalization of Japanese since they do not belong to the Caucasian race. The phrase white persons imports a racial and not an individual test (*Takao Ozawa v. United States*, 43 S. C. R. 65).— A high-cast Hindu of full Indian blood may not be naturalized since the words white persons must be interpreted in accordance with the understanding of the common man, synonymous with the word "Caucasian" only as that word is popularly understood (*United States v. Bhagat Singh Thind*, 43 S. C. R. 338). — The Eighteenth Amendment gives Congress power to make prohibition effective within the territorial limits of the United States and reserves like powers to the states within their boundaries. It is, however, not the source of the states' powers to enforce prohibition measures. That power was reserved to the states under the Tenth Amendment. Prosecution under the national laws after conviction for the same offense under state laws does not violate the double jeopardy provision of the Fifth Amendment which prevents only a second prosecution under the national authority after a first trial for the same offense under the same authority (*United States v. Lanza*, 43 S. C. R. 141).—The prohibition amendment and the national prohibition act apply to all merchant vessels, domestic and foreign, when they are within the territorial waters of the United States but do not apply to domestic vessels when outside of such waters. Congress may regulate the conduct of domestic vessels on the high seas and may exert such control over them in foreign waters as may be allowed by foreign Powers (*Cunard*

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S. S. Co. et al. v. Mellon, Secretary of the Treasury, 43 S. C. R. 504).—The Transportation Act of 1920 allowing the executives of organized employees involved in disputes with their employers to invoke the action of the Railroad Labor Board does not exclude labor unions from taking such action because they are legal organizations. The Board has jurisdiction to determine a dispute as to who are the representatives of employees. It cannot under the law determine the legal rights of the parties to a dispute, that being left to the courts, but it can decide how the parties ought to exercise their legal rights. Moreover, since the Board can exert no constraint other than that which may result from the publication of its decisions, the courts will not pass upon the correctness of the Board's conclusions so long as it remains within its statutory jurisdiction (*Pennsylvania Railroad Co. v. United States Railroad Labor Board*, 43 S. C. R. 278).—The Grain Futures Act of 1922 regulating transactions in grain futures on grain exchanges is within the power of Congress over interstate commerce, is a reasonable, national police regulation, does not take the property of members of boards of trade without due process even though it may incidentally lower the value of membership of such boards and require the boards to admit representatives of cooperative associations (*Board of Trade of Chicago v. Olsen*, 43 S. C. R. 470).—The minimum wage law for the District of Columbia authorizing a commission to fix the wages of adult women on the basis of the amount required to maintain them in good health and to protect their morals, and with no reference to their actual earning ability or the necessities of employers, is invalid in that it arbitrarily interferes with the freedom of contract and imposes upon employers the burden of supporting partially indigent persons contrary to the guarantees of the Fifth Amendment to the Constitution of the United States (*Adkins et al. Minimum Wage Board of District of Columbia v. Children's Hospital*, 43 S. C. R. 394).—The War Revenue Act of 1917, laying a tax on the sales of certain specified articles, was invalid as to articles in the course of transportation for export under the clause of the Constitution prohibiting a tax on exports, and the fact that the law was a general one touching all sales of certain articles did not make it valid as to articles being exported (*A. G. Spalding and Bros. v. Edwards*, 43 S. C. R. 485).—The provision of the Transportation Act of 1920 authorizing the Interstate Commerce Commission to apportion a joint rate on the basis of the greater needs of certain carriers is not unconstitutional as depriving other carriers of their just share of the rate since it is for the Commission to determine what is just, reasonable, and equitable (*Akron, Canton, and Youngstown Ry. Co. v. United States*, 43 S. C. R. 270).—The act of Congress allowing an appeal to the United States Supreme Court in proceedings to vacate, set aside, or modify any decision of the Public Utilities Commission of the

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District of Columbia is unconstitutional, since Congress cannot confer on the court the legislative or administrative jurisdiction which would be required to exercise such functions (*Public Utilities Commission of District of Columbia v. Potomac Electric Power Co.*, 43 S. C. R. 445).—The income tax of Massachusetts is a general tax, and the proceeds thereof are a part of the general funds of the state, and their expenditure for certain specified educational purposes does not impose upon special classes of property and persons public burdens for which they receive no corresponding benefit contrary to the Fourteenth Amendment (*Knights v. Jackson*, 43 S. C. R. 1).—There is sufficient difference between anthracite and bituminous coal to warrant a state, without violating the Fourteenth Amendment, in selecting for taxation anthracite alone, and such taxation does not violate the commerce clause even when the coal taxed is destined for other states, since the products of a state are not subjects of interstate commerce until they commence their final movement for transportation from the state of their origin to that of their destination (*Heisler v. Thomas Colliery Co.*, 43 S. C. R. 83).—A state may levy an occupation tax on all persons engaged in mining iron and other ore within the state based on the value of the ore mined during the year, even though practically all the ore mined is shipped in interstate commerce, and the exemption from such a tax of contractors who are in effect employees of those engaged in producing the ore, and of owners and lessees who do developmental work but remove no ore, does not invalidate the law as contrary to the Fourteenth Amendment guaranteeing equal protection or contrary to a state constitution providing for uniform taxation of the same class of subjects, since the legislature may exercise a wide discretion in selecting the subjects of taxation, particularly as respects occupation taxes, so long as it follows uniform rules (*Oliver Iron Mining Co. v. Lord*, 43 S. C. R. 526).—A state cannot tax logs which while being floated from one state to another are temporarily stopped because of high water, since such delay does not break the continuity of an interstate journey (*Champlain Realty Co. v. Brattleboro*, 43 S. C. R. 146).—A state tax on sleeping car companies expressly called a tax on the property of such companies within the state and measured by such a percentage on the gross receipts from intrastate business as the distance traveled within the state bears to the whole distance is valid and does not burden interstate commerce (*Pullman Co. v. Richardson, Treasurer of California*, 43 S. C. R. 366).—While a state may regulate the activities of foreign corporations doing business within the state, it cannot regulate or interfere with the business of such corporations outside the state, and a state law imposing a tax on premiums paid for insurance on property in the state to companies not authorized to do business within the state contravenes the Fourteenth Amendment in so far as it

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applies to policies contracted for, delivered, and paid for outside the state, at the domicile of the owner of the property, a foreign corporation (*St. Louis Cotton Compress Co. v. Arkansas,* 43 S. C. R. 125).—The constitutional rights, guaranteed by the Fourteenth Amendment, of one taxed on the full value of his property, are violated by the intentional systematic undervaluation by state officials of other property in the same class (*Sioux City Bridge Co. v. Dakota County, Nebraska,* 43 S. C. R. 190).—A state law which imposes on all taxable property of any estate on which no taxes have been paid during the year preceding the decedent's death a tax of two per cent annually for the five years preceding the date of death, but allowing deductions for taxes paid on any portion of the property acquired within the five years, is in the nature of a penalty for tax evasion and does not deprive creditors and distributees of property without due process (*Bankers' Trust Co. v. Blodgett,* 43 S. C. R. 233).—A state cannot tax the recording of mortgages of a Federal Land Bank, specifically termed instrumentalities of the national government and exempt from all taxation by act of Congress, on the ground that the payment of such tax is optional when the law of the state makes an unrecorded mortgage invalid as against a subsequent purchaser without notice (*Federal Land Bank of New Orleans v. Crossland,* 43 S. C. R. 385).—A state law providing that hail insurance shall take effect twenty-four hours after the application is taken by the authorized local agent and that if the company declines to write the insurance it shall notify the applicant and the agent by telegram, does not substitute mandatory obligation for freedom of contract or deny the equal protection of the laws and is not so arbitrary and unreasonable as to deprive those whom it affects of their property or liberty without due process. The business of insurance companies is purely intrastate and the state may require foreign corporations to accept conditions different from those applied to domestic corporations (*National Union Fire Co. v. Wanberg,* 43 S. C. R. 32).—The state legislature in creating an administrative board to apply the details of rate schedules in order to prevent its being a pure delegation of legislative power must enjoin upon such agency certain rules of procedure and rules of decision, and when it is required that an order must be based upon a certain finding of facts the validity of the order must rest upon the necessary finding (*Wichita R. and Light Co. v. Public Utilities Commission of Kansas,* 43 S. C. R. 51).—Common carriers may be grouped in a special class in order to secure the proper discharge of their functions and to meet their liability for injuries inflicted upon the public, and a penalty may be imposed upon them for failure to pay claims without denying due process or the equal protection of the laws, and such penalties may be in the form of attorney's fees; however, such penalties must be moderate and not plainly arbitrary and oppressive

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(*Chicago and N. W. Ry. Co. v. Nye-Schneider-Fowler Co.*, 43 S. C. R. 55). —A state law requiring the payment of claims for loss of or damage to freight by carriers within ninety days and requiring that such claims, if not paid or rejected in whole or in part within such time, shall stand as liabilities due and payable to their full amount, but not imposing penalties for rejection, does not violate the Fourteenth Amendment (*Southern Ry. v. Clift*, 43 S. C. R. 126).—The destruction of property and contract rights by a law forbidding the mining of anthracite coal so as to cause the subsidence of certain buildings cannot be sustained as a valid police regulation so far as it affects the mining of coal under streets or cities in places where the right to mine such coal has been reserved (*Pennsylvania Coal Co. v. Mahon*, 43 S. C. R. 158). — The Federal Constitution does not prohibit a state legislature from delegating to an administrative board the function of determining the qualifications needed for the practice of a profession and also whether an individual possesses the qualification prescribed by the board (*Douglas v. Noble*, 43 S. C. R. 303).—Although a state may require adequate local service from railway companies even to the extent of ordering the stoppage of interstate trains at designated places, the order by a Public Service Commission in behalf of a small city, with a trade territory entirely within the state and four regular interstate trains, that two night interstate trains stop at that city, places an unreasonable burden upon interstate commerce (*St. Louis, San Francisco Ry. Co. v. Public Service Commission of Mo.*, 43 S. C. R. 380).—The authority of the state over the rights and property of cities within the state is not limited by the contract clause or the Fourteenth Amendment to the Constitution of the United States, and the distinction between a city's governmental and proprietary functions does not allow cities to invoke these clauses as against the state's imposition of a fee on the diversion of water from streams, even though it diverts such water under rights acquired by the purchase of property of a water company to which such right had been granted by the state (*City of Trenton v. New Jersey*, 43 S. C. R. 534).—*Cf. supra*, p. 31, *infra*, p. 62.

The following decisions of the Supreme Court were received after the foregoing had been sent to press: — The Supreme Court has no jurisdiction to entertain a suit instituted by a state to enjoin the enforcement of the Maternity Act of Congress, on the ground that the act amounts to an attempt to legislate within the field of local powers reserved to the state by tempting the states to yield a portion of their sovereign rights in order to obtain federal grants, since such a suit raises a political not a judicial question; and a state may not institute judicial proceedings to protect citizens of the United States from the operation of national statutes, since in this field it is the United States and not the state which represents them as *parens patriae*. Nor

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may a taxpayer sue to enjoin the execution of this act on the ground that it is invalid and will result in taxation for illegal purposes, since the administration of a statute likely to produce additional taxes is a matter of public and not of individual concern (*Massachusetts v. Mellon*, 43 S. C. R. 597).—A state law prohibiting the teaching of any subject in any language other than the English language in any school, and the teaching of languages other than English to pupils who have not passed the eighth grade, is unconstitutional in that it is arbitrary and without any reasonable relation to any end within the power of the state, and deprives teachers and parents of liberty without due process of law contrary to the Fourteenth Amendment (*Meyer v. Nebraska*, 43 S. C. R. 625).—The Kansas Court of Industrial Relations Act which declares that the business of preparing food for human consumption is affected with a public interest, and gives to the court power, in cases of controversies between employers and workers which interfere with the continuity and efficiency of such business, to fix the terms and conditions of employment and to require employers to pay the wages fixed and to prohibit employees from striking against them, is unconstitutional in so far as it permits the fixing of wages, because it deprives employers of their property and their liberty of contract without due process of law, and hence is contrary to the Fourteenth Amendment (*Chas. Wolff Packing Co. v. Court of Industrial Relations*, 43 S. C. R. 630).

STATE AFFAIRS.—Twenty-nine of the states held **state elections** in November. Decided gains were made by the Democrats. In eleven states, Arizona, Colorado, Kansas, Nebraska, New Hampshire, New York, Ohio, Oregon, Rhode Island, Tennessee and Wyoming, Democratic governors succeeded Republicans. Probably the largest interest was displayed in the **New York elections.** The Republican convention renominated Governor Nathan Miller who in 1920 had defeated Governor Smith by a narrow margin as compared with President Harding's enormous majority. Governor Miller had sponsored and carried through the legislature a law providing for a solution of the New York City traffic problem by vesting large control in a transit commission appointed by the state (*cf.* last RECORD, p. 48). This policy was strongly opposed by the Democratic administration of New York City and was generally unpopular with the voters of the city. The governor also claimed that his administration had been characterized by rigid financial economy. The Democratic state convention renominated ex-Governor Alfred E. Smith. The liquor question was prominent in the campaign, as the Democratic convention had recommended the modification of the Volstead Act so as to allow the sale of wines and beers, and the Democratic candidate was generally known to be opposed to prohibition. The election resulted in the overwhelming defeat of Governor Miller. Smith's plurality

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was more than 400,000. The Republicans retained control of the Assembly by a small margin, while the Democrats secured a majority of one in the Senate.—In the **Pennsylvania** contest Gifford Pinchot (Republican) was elected by a majority of more than 250,000. The **Nebraska** voters elected Charles W. Bryan (Democrat) by a majority of about 45,000. **New Hampshire** elected a Democratic governor, Fred F. Brown, by a majority of almost 9,000. In **Michigan** where a Democratic Senator was elected (*cf. supra*, p. 36), Governor Groesbeck was reelected by a majority of more than 135,000. In four states, Michigan, Minnesota, Nebraska and Ohio, the voters chose a Senator of one party and a governor of another.

The voters of the states were again required not only to choose a large number of officers at the regular elections in November, but also to decide upon the merits of numerous **constitutional amendments and statutes.** According to a study made by Mr. Schuyler C. Wallace, and published in *The National Municipal Review* for April, 1923, the total number of such measures last year was 174, of which 92 were constitutional amendments, 40 referenda on measures passed by legislatures, and 42 proposals placed on the ballots by means of the initiative. Of the 92 constitutional amendments 50 were adopted by the voters and 42 rejected. These amendments were distributed among 23 states varying in number from one to five in each of 20 states to 8 in Arizona, 13 in South Carolina and 14 in California. By large majorities **Alabama** adopted amendments authorizing the legislature to spend $10,000,000 for internal improvements, fixing the taxing powers of certain municipal corporations at one per cent a year, authorizing a road bond issue of $25,000,000, and exempting World War veterans from the poll tax. — **California** approved amendments preventing cities and towns from being annexed to other cities save by their own consent, allowing municipalities to place money outside the state in order to pay interest on their bonds, and permitting the formation of school districts situated in two or more counties; but defeated proposals to increase judicial salaries, to allow taxation of intangibles in a manner different from that of other property and in lieu of the general property tax, to prevent special legislation relative to irrigation districts, and to extend the tax exemption of veterans.— **Florida** adopted an amendment reorganizing its judiciary.—The voters of **Louisiana** allowed the legislature to postpone the collection of taxes in cases of public calamity and decided in favor of making elective the state superintendent of schools. — **Michigan** defeated a proposal to allow excess condemnation to cities upon authorization of the legislature and another to provide for a graduated income tax, but authorized the legislature to create a port authority.—**Minnesota** approved the policy of state credit to agriculture and allowed a tax on mining. — **Missouri** refused to increase legislative salaries. — The

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Montana state board of equalization was given supervisory powers over county boards of equalization. The voters of the state also gave the legislature permission to pass special legislation for cities.—**Nevada** limited the legislature's right to pass special legislation.—**New York** refused to increase the salaries of the judges of the Court of Appeals.—The voters of **Pennsylvania** adopted a home rule amendment.—In **South Carolina** fourteen amendments making special provisions for specified local districts were adopted.—In **South Dakota** an amendment proposing to increase the number of signatures required for initiative petitions was defeated.—**Utah** defeated a proposal to increase the state debt limit; refused to allow classification of property for taxing purposes; and declined to increase legislative salaries.—In **Wisconsin** verdicts in civil cases by five-sixths vote were approved but a proposal to allow sheriffs to succeed themselves was defeated, as was also an amendment to increase the debt limit of cities in order to make possible the acquisition and operation of public utilities.—At a special election in **Illinois** held on December 12 the new constitution drafted by the recent constitutional convention was overwhelmingly defeated. The majority against the new constitution was more than 700,000. The main opposition was based on the provisions authorizing a state income tax and limiting the representation of Cook County to one-third of the membership of the state senate. The document was submitted as a whole, hence the opposed provisions carried the more popular ones down to defeat.

Of the forty laws passed by legislatures and referred to the people only ten were approved by the voters. The **California** voters approved a prohibition enforcement act, a veteran-welfare bond issue for $10,000,000, and a land-settlement bond issue for $3,000,000, but defeated a state housing act.—In **Virginia** and **Colorado** proposals to call constitutional conventions were rejected.—In **Iowa** the voters approved a soldiers' bonus bond issue for $22,000,000.—In **Montana** a $4,500,000 bond issue for similar purposes was accepted.—The voters of **Massachusetts** rejected a prohibition enforcement act and an act calling for motion picture censorship.—In **Missouri** only one of the fourteen referred measures was adopted—the one dividing the state into sixteen congressional districts. Among the defeated measures were the following: an act creating a state department of budget; an act providing for workmen's compensation and a commission to administer the act; and an act creating a department of labor.—In **Nebraska** an anti-picketing bill was approved but a proposal partially repealing the direct primary was decisively defeated.—A $40,000,000 bond issue for roads was defeated in **New Jersey.**

In twelve states forty-one laws **initiated by petition** were placed before the voters. Four were adopted in **California.** They provided for state aid to veterans of the World War for the acquisition of

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farms or houses, for an itemized budget procedure, for a chiropractic commission, and for an osteopathic board. Proposals to raise the number of signatures necessary for the initiation of tax measures, to prohibit vivisection, and to establish the single tax system were defeated.—In **Colorado** a $6,000,000 bond issue for roads was approved, while a measure exempting intangibles from the general property tax and levying a graduated income tax and an anti-vivisection law were defeated.—The **Missouri** voters overwhelmingly rejected a law abolishing the common-law rules regarding responsibility for accidents due to a fellow-workman, and contributory negligence, and placing responsibility on employers.—In **Nevada** a law requiring a period of six months between interlocutory decree and final judgment in divorce cases was defeated. — A wine and beer amendment was defeated in **Ohio.** — **Oklahoma** approved a soldiers' bonus bill. **Washington** repealed the poll tax.

Most of the **state legislatures** met in regular session early in 1923. The most frequent recommendations made in the governors' messages dealt with the problems of taxation, highways, law enforcement (particularly in the matter of prohibition), administrative reorganization, and cooperative marketing and credit. In a number of messages it was intimated that many of our governmental evils result from too much legislation. Governor McCray of Indiana announced that the people demand "a closed season on legislation." — The **New York legislature** convened early in January and adjourned on May 4. The Republicans controlled the Assembly and the Democrats the Senate. That fact caused the defeat of many measures, some good and some of a very questionable sort. The following important measures were enacted. New York City was allowed to issue corporate stock for current expenses (a radical departure from the pay-as-you-go policy adopted during the Mitchel administration) to the amount of $10,000,000. A commission was provided to go over the laws in order to make them conform to the home-rule amendment which was to be submitted to the voters in the autumn of 1923. An appropriation of $850,000 was made for the improvement and purchase of new state parks. A consolidation statute proposed by Governor Smith provided for a Department of Public Works in the place of the State Highway Department and State Engineer. The Walker Bill provided a uniform rate of $1 for 1000 cubic feet of gas in New York City. The legislative act which received the greatest amount of publicity and which aroused the strongest antagonisms was the repeal of the Mullan-Gage State Prohibition Enforcement Act adopted during the closing hours of the session. This measure was approved by the governor after hearings had been held at which the advocates and opponents of prohibition appeared. Senator Reiburn's bill extending the New York City Emergency Rent Law to May 1, 1924, was passed,

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as was also the Jenks Bill permitting the state to take advantage of the Federal Sheppard-Towner Maternity and Child Hygiene Act (*cf.* last RECORD, p. 46). The legislature approved a constitutional amendment consolidating the 180 odd bureaus, departments, and boards of the state administrative establishment into twenty departments, headed in most cases by an appointee of the governor. Only the governor, the lieutenant governor, the attorney general and the comptroller were left elective. This amendment, based on the report of Governor Smith's Reconstruction Commission of 1919, must be approved again by the legislature before being submitted to the people on referendum. The governor advocated also an amendment lengthening the term of state officers from two to four years and another providing for an executive budget, but these were defeated. The approval of a home-rule constitutional amendment, the repeal of the Lusk educational laws, the adoption of a resolution memorializing Congress in favor of liberalizing the Volstead law, the enactment of some amendments to the Workmen's Compensation Law and some child welfare measures, and the adoption of the Veterans' Bonus Bill, were among the measures advocated by Governor Smith which received legislative sanction. The governor's attempt to secure laws designed to give cities home rule in transit and utilities regulation and to secure the abolition of the Public Service and Transit Commissions failed of enactment. A similar fate befell attempts to restore the direct primary for the selection of candidates for state office.— The **legislature of New Jersey** was in session from January 9 to March 23, and during this period passed 253 bills. Governor Silzer vetoed 68 of them but 32 of these were passed over the executive veto. A fight between the governor and the legislature over the appointment of a new highway commission was the outstanding incident of the legislature's session. After an eight weeks' contest the governor's nominations were confirmed. The legislature was not able to come to an agreement on prohibition legislation and nothing was done in regard to this proposal. The most important bills passed included: extension of payment of the soldier bonus to 1924; increase of compensation for men injured at work from $12 to $17 a week; prohibition of night work for women in factories; authorization of cities to adopt the city-manager form of government; establishment of a method for the arbitration of commercial disputes; and requirement of three months' notice to tenants before putting a rent advance into effect. The legislature also passed an anti-lynching bill submitted by Assemblyman Randolph, colored. — Two years ago the **Wyoming legislature** passed an optional city-manager law for cities of 1,000 and over. The city of Sheridan adopted the plan, but thereupon the law was attacked on the ground of unconstitutionality, as the state constitution contained a requirement that all those who hold office must

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be qualified voters. The law in question allowed the choice of non-residents as city-managers. The constitution also required that the salaries of officers must be fixed in the constitution or by statute. The law had delegated the fixing of the salary of the manager to the city council. The court held these two clauses of the statute invalid, whereupon the 1923 legislature modified the law so as to limit the choice of managers to residents. The salaries were required to conform to those prescribed in the amended act. — The **South Carolina legislature** recently passed a statute under which cities with populations between 20,000 and 50,000 were permitted to adopt the manager plan of city government.—The **Washington legislature** passed a law requiring that all new and refunding bonds issued hereafter should be in serial form.—Although the **Idaho** constitution had contained an initiative and referendum provision since 1912, the legislature had never set up the necessary election machinery to make possible the use of these devices. In this year's session another attempt to secure such a law was made but it ended in failure. The governor of the state vetoed a direct primary law passed by the legislature, because of the expense involved and because he believed that primary elections were determined largely by the personalities of the candidates and not by the principles for which they stood.—Governor McCray of **Indiana** refused to sign the soldier bonus bill passed by the legislature on account of the financial burden involved. The legislature of the state again adopted a resolution to amend the constitution so as to authorize a state income tax. The proposal must now be submitted to the people on referendum.—Late in March Governor Pinchot of **Pennsylvania** signed a drastic state prohibition enforcement law passed by the legislature. The measure defined intoxicating liquor as anything "found and determined from time to time to be intoxicating by an act of Congress." Governor Pinchot also secured the passage of a new administrative code providing for the usual reduction in the number of departments, boards and commissions and the consolidation of the administrative agencies of the state into twelve departments headed by chiefs appointed by the governor and the state senate. These departments were: state and finance, justice, public instruction, military affairs, agriculture, forests and waters, labor and industry, health, highways, welfare, property and supplies, and commerce. The old boards of game and fish commissioners and the public service commission as well as three interstate commissions for building and maintaining bridges were retained. Three departments headed by elective officers remained. An executive budget was also provided.—A consolidation measure prepared by a joint committee on administrative reorganization was introduced in the legislature of **South Dakota** but failed of passage. The bill proposed to set up five departments, each to be headed by a single person ap-

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pointed by the governor and serving at his pleasure. The bill was based on the recommendation made to the governor last year by the New York Bureau of Municipal Research after a survey of the state government. — A thoroughgoing reorganization measure became law in the state of **Tennessee.** Some sixty administrative agencies were consolidated into eight departments. The law provided that the heads of the departments should be appointed and removed by the governor alone.—The **Vermont** legislature consolidated about twenty agencies into seven departments. — The legislature of **Minnesota** created a committee to survey the state administrative organization and to recommend a reorganization measure to the legislature.—The legislature of **Iowa** passed an act for the establishment of a department of agriculture under the direction of a secretary. The first secretary was to be selected by the governor and the senate but thereafter the secretary was to be popularly elected. The act transferred to the newly created department the state weather and crop service, the dairy and food department, the department of animal health, the department of the state veterinarian, the state horticultural society, the Iowa crop and small grain growers' association; the Iowa beef and cattle producers' association; the Iowa state dairy association; the state poultry association; the hotel license and inspection service formerly under the control of the state board of health; and the petroleum oil inspection service. Governor Kendall called a special session of the legislature to meet in December, 1923, to take up the whole question of administrative reorganization.—On March 17 Governor Davis of **Kansas** signed a bill providing for a bonus of $1 a day for residents of Kansas who served in the Spanish-American war, the Philippine insurrection and the Boxer uprising. The bill provided for a bond issue of $1,000,000 with which to pay the bonus. Although the governor urged the abolition of the Industrial Court in his message to the legislature, he was unable to secure favorable action in the matter.—The **Florida** legislature abolished corporal punishment of convicts. This action was doubtless taken as the result of unfavorable publicity that was given to the case of a young man who had died in 1921 in a Florida convict camp soon after he had been flogged for a trivial offense.—The **Illinois** House of Representatives approved a prohibition enforcement repeal bill but this action was not sustained by the state senate. Late in June the governor of the state approved the anti-Ku-Klux-Klan bill making it unlawful to appear in public while hooded, robed, or masked so as to conceal identity. — The legislatures of **Missouri** and **Wisconsin** also refused to repeal prohibition enforcement measures. — The state supreme court of **Ohio** sustained the constitutionality of the proportional representation provisions of the new charter of the city of Cleveland. In **California,** however, the court of appeals declared un-

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constitutional the Hare system of proportional representation as embodied in the charter of Sacramento. This decision was later affirmed by the state supreme court.—According to a **summary** issued on June 30 by the National Industrial Council approximately 12,000 new laws were enacted by the 43 state legislatures which held sessions in 1923. It was estimated that between 50,000 and 60,000 bills had been introduced into the legislatures of these states.

During the year 1922 there were 57 **lynchings** in the United States. Fifty-one of the victims were negroes. Thirteen of the persons lynched were taken from jails and seventeen from officers of the law outside of jails. The ten states in which lynchings occurred and the number in each state were: Alabama, 2; Arkansas, 5; Florida, 5; Georgia, 11; Louisiana, 3; Mississippi, 9; Oklahoma, 1; South Carolina, 1; Tennessee, 2; Texas, 18. There were 58 instances in which officers of the law prevented lynchings—14 in northern states and 44 in southern states. In ten instances convictions carrying penitentiary sentences were obtained against lynchers. During the first six months of 1923 there were 13 lynchings. They were distributed among the states as follows: Alabama, 1; Arkansas, 1; Florida, 4; Georgia, 2; Louisiana, 1; Mississippi, 1; Missouri, 1; Texas, 2.

MUNICIPAL AFFAIRS. — The most important of the **municipal elections** of the year under review was that in **Chicago** on April 3. For a number of years criticism of the régime of Mayor Thompson had been growing more severe. It was generally believed that corruption was rife and that the mayor and his political supporters were giving the city the worst government it had had in many years. The primaries were held on February 27. Mayor Thompson had withdrawn from the race for the Republican nomination but he and the Lundin-Hearst forces supported Edward R. Litsinger. The Brundage-Deneen coalition candidate was Arthur C. Lueder, who was successful in the Republican contest. The vote stood 128,704 for Lueder and 74,560 for Litsinger. The Democrats nominated Judge William E. Dever. As the campaign progressed it was generally believed that the Democratic candidate had a good chance of victory because of the voters' reaction against both Republicanism and Thompsonism. The result was an overwhelming victory for the Democrats. The vote was as follows: William E. Dever, Democrat, 387,961; Arthur C. Lueder, Republican, 284,213; William A. Cunneau, Socialist, 40,741. In the fall elections the Democrats elected most of their candidates for county offices.—The appointment of Mayor James Couzens of **Detroit** as United States Senator from Michigan upon the resignation of Senator Newberry necessitated a special election for mayor of Detroit. The primaries resulted in the nomination of Frank E. Doremus, former Democratic Congressman, and James W. Inches, former Police Commissioner. The primary was conducted

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on non-partisan lines. In the election held on April 3 Doremus obtained a majority of about 54,000. At the same election the voters approved a charter amendment providing pensions for city employees; voted a $5,000,000 bond issue for street railway improvements; and a $12,000,000 issue for establishing a municipal light and power plant. —In the municipal election in **Baltimore,** Mayor W. F. Broening, Republican, was defeated by Howard W. Jackson, Democrat. Jackson's plurality was about 24,000. Former Mayor Preston was the candidate on the citizens' party ticket.—An unsuccessful attempt was made to order a recall election for Mayor Kohler of **Cleveland** who was elected to serve until the new city-manager charter would become operative. A minority candidate in the mayoralty election circulated petitions which were not considered because of irregularities. — On November 29 Charles E. Hewes, Manager of **Long Beach,** California, was recalled by a majority of about 900 in a total vote of 10,000.—On November 7 the voters of **Los Angeles** defeated a charter amendment providing for the proportional representation method of electing a council of fifteen members.—The voters of **Dayton,** Ohio, defeated at the November election by a vote of 25,000 to 16,000 a proposal to abandon the **city-manager plan** of government and to reestablish the mayor-and-council system. In April a similar defeat met those who tried to abolish the manager plan in **Boulder,** Colorado. **Berkeley,** California, and **Knoxville,** Tennessee, recently adopted the city-manager plan.—The manager plan was sustained also in **Alhambra,** California, **Durango,** Colorado, and **Durham,** North Carolina. On the other hand two cities, **Waltham,** Massachusetts, and **Lawton,** Oklahoma, voted to abandon their city-manager charters, and **Lansing,** Michigan, refused to adopt such a charter.—On November 21 the voters of **Kansas City** defeated a charter drafted by a charter commission after nearly a year's deliberation. The proposed charter provided for a unicameral council in place of the existing bicameral council, for much greater administrative centralization in the hands of the mayor, and for an executive budget system. The reasons for the defeat of the new charter by a majority of over 12,000 were the opposition of the political machines and popular disapproval of the proposal to substitute a water commission appointed by the mayor for the bipartisan commission independent of the mayor and council. —The Pennsylvania legislature of 1923 passed a bill to increase the size of the **Philadelphia** council from twenty-one to twenty-six but the measure was vetoed by Governor Pinchot. — The **Wilmington,** Delaware, city-manager charter was defeated in the legislature.—As the result of the adoption of two amendments to the Maryland constitution at the November election **Baltimore** received increased representation in the state legislature. The city received two additional senators and twelve additional members of the House of Delegates.

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Every county in the state voted against this increase in the city's representation but the city's large majority in favor of the amendments was sufficient to overcome this opposition. Under the Maryland home-rule amendment Baltimore last fall voted to substitute a single-chambered council of nineteen members for the existing bicameral council. The city had a bicameral council longer than any other city in the United States, having adopted the system in 1797.— In pursuance of the constitutional amendment granting the cities of the state the right to frame their own charters, adopted in November, 1922, by the voters of **Pennsylvania,** the 1923 legislature of the state passed an enabling act which applied to all classes of cities. Each city was allowed to retain its existing legislative charter or to frame a new charter through an elected charter commission of fifteen members. When two-thirds of the council approve, or when on petition twenty per cent of the qualified voters petition the council, that body must provide by ordinance an opportunity to the voters to decide on the question of selecting a charter commission. Candidates for the commission are to be voted on at the same election. Home-rule charters may provide for any form of municipal government consistent with the national and state constitution. — The **New York Charter Commission,** appointed in 1922 by Governor Miller, submitted its proposed charter in March, but it was not acted on by the 1923 legislature. The basic change proposed in the new charter was the grant of a greatly increased measure of local self-government. A broad grant of home-rule powers was followed by a grant of specific powers. The powerful Board of Estimate and Apportionment and the borough presidents were retained. If the charter were adopted a large part of the administrative structure of the city government could be changed without charter amendments, since the administrative organization and the rules of procedure would ultimately be embodied in an administrative code adopted by the city itself. It also proposed to vest in the city government powers over the salaries of county officers within the city, and to give somewhat greater financial independence to the school system.

Considerable attention has been given to **county government** in recent years, and a number of attempts have been made to simplify the prevailing complex and inefficient system. In August, 1922, a manager charter was submitted to the voters in **Sacramento** County, California. The charter voted on provided for the election of thirteen supervisors chosen by districts and continued on the elective list the district attorney, sheriff, superintendent of schools, county clerk, auditor, recorder, assessor, tax collector, coroner and public administrator. Thus the long ballot was retained. The county-manager, appointed by the board of supervisors, was to be ex-officio road commissioner and purchasing agent, and was to have under his direction

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most of the county expenditures, including those for roads, public works, and public buildings. A budget system was provided. The voters defeated the charter by a majority of some 3,000 out of a total vote of 30,000.—A referendum on a manager charter establishing a simpler system than the one rejected in Sacramento was under consideration but was not yet voted on in **San Diego** County, California. —The charter for **Nassau** County submitted to the New York legislature on March 5 was the first county-manager charter proposed in that state. The charter provided a large measure of home rule for the county. The new form of government provided for a county president elected at large, for the retention of a small board of supervisors representing the townships, and for a board of estimate. All the heads of the administrative departments were to be appointed by the president subject to confirmation by the supervisors. Thus a large degree of administrative centralization was proposed. Moreover, provision was made for the executive budget system. For the justices of the peace were to be substituted full-time inferior court judges. The legislature approved the charter, but before going into effect it must be ratified by the voters.—The **Westchester** county commission created to frame a new form of government for that county failed to arrive at a satisfactory solution of the problem in time to submit a charter to the 1923 legislature. — The **Montana** constitution was amended in 1922 to permit the legislature to unite city and county governments under one municipal government. Under this authorization a city-manager charter was drafted providing for a thoroughgoing consolidation of the city of **Butte** and the county of Silver Bow. The state legislature passed the proposed charter which must, however, be accepted by the people of the territory concerned before becoming operative. The charter vested legislative and executive power in a commission of seven members elected from the county at large for a two-year term. The initiative, referendum and recall were provided for the commissioners. The commission was to select the manager, who would have control over all administrative agencies and prepare the budget for submission to the commission. Several departments, e. g, law, finance, police, public works and health were definitely provided but others could be created by ordinance. The powers of county officers were vested in the new officers. This charter represented the most advanced legislation for the simplification of county-city government in the United States.

Last fall the city of **Ashtabula** purchased and took over for operation the city's street railway system at an original cost of $150,000 plus $85,000 which was immediately spent for improvements. The administration of the car system was placed in the hands of the division of street railways in the city manager's department.—Because of a deadock between the senate and assembly in the **New York** legis-

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lature no progress was made in settling the **New York City transit problem.** The Transit Commission continued in power as the result of the failure of the assembly to approve the Smith Hylan transit measures.—Ohio cities have in recent years been finding it extremely difficult, because of the limitations imposed by state laws, to balance their budgets. The new Kohler administration of **Cleveland,** however, through an effective economy program, a careful purchasing system and a well-planned budget, succeeded in living within its income. The city closed the year 1922 with an unencumbered balance of over a half-million dollars — **Philadelphia** found municipal street cleaning considerably cheaper than the old contract system, recently abolished. The last budget appropriation of $1,000,000 was twenty per cent less than the cost of this service during the last year under the contract system.—As an encouragement to home-building several states authorized the exemption of new dwellings from taxation. On March 9, however, the highest court in **New Jersey** declared invalid a law providing such exemption for a five-year period. A few weeks later a similar decision was rendered by the **New York** Supreme Court. On appeal to the Appellate Division, however, the exemption law was unanimously sustained as constitutional. — A zoning ordinance was adopted on November 20 by a unanimous vote of the **Indianapolis** city council. This was the first zoning ordinance passed in an Indiana city under the Enabling Act of 1921. The following use districts were established: dwelling house, apartment house, business, first industrial, and second industrial.—Other cities, among them **St. Paul,** also passed zoning ordinances.—**New York City** in June, 1923, celebrated its twenty-fifth anniversary since consolidation.—The **city-manager movement** made new gains during the year. On April 1, according to the *Ninth Yearbook* of the City Managers' Association, there were 310 cities in the United States and Canada operating under, or pledged to, this plan of city government. This was an increase of thirty since June 1 of the year before.

CAPITAL AND LABOR.—The two most serious industrial struggles of the year under review were the great coal strike and the Railway Shopmen's strike. Another important labor controversy was the protracted strike of the textile workers in New England. During this and the previous year the difficulties were usually caused by the demand on the part of employers for wage reductions and for the restoration of open-shop conditions. The movement for lowering wages, however, seemed to have been successfully resisted by union labor, partly, no doubt, because of the rapidly diminishing number of the unemployed.

The **coal strike** which began on April 1, 1922 (*cf.* last RECORD, p. 56), lasted about five months. Both on account of its duration and on account of the number of men involved, it was one of the greatest

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industrial struggles the country had ever seen. During the greater portion of the five months' strike approximately 650,000 miners were idle. On July 10 the President proposed an arbitration tribunal to consist of three members from each side and five representatives of the public. Wages were to remain at the old scale until March 1 following unless a temporary scale should be agreed upon before August 10. The President also proposed a Federal investigation of the coal industry with a view to a thoroughgoing reorganization. This proposal was accepted by the coal operators but declined by John L. Lewis, acting for the United Mine Workers. In their reply to the President on July 15 the miners' representatives pointed out that only a portion of the operators had agreed to the proposed arbitration and that they were not free to leave hundreds of their members "to the whims and caprices of hostile employing interests who are publicly committed to the policy of destruction of collective bargaining in the industry." The letter expressed strong approval of the proposed investigation of the mining industry. Three days later the President sent identical telegrams to the governors of twenty-eight coal-mining states urging them to give operators and miners assurance that order would be maintained if they should resume mining operations, and promising them the full cooperation of the national government whenever their own agencies were unable to meet emergencies. Most of the governors addressed pledged state protection though a few declined, one stating that the people of his state had a tradition to the effect that such matters should be settled without the aid of bayonets. A number of governors sent troops into the disturbed areas. But this action seemed to cause rather than quiet disorders and certainly did not lead to further production. Late in July, in view of the diminishing coal reserves, the President framed a coal distribution plan and named Secretary Hoover chairman of a commission to direct the transportation and distribution of the available coal supply. The Interstate Commerce Commission also issued orders relative to coal distribution. Early in August there were indications that a settlement was near. A committee of miners and operators at Cleveland authorized the selection of a subcommittee to draft new wage scales and other agreements. Although by no means all of the parties to the controversy were involved in the Cleveland conferences, it was thought that should agreements be reached the other parties might also be led to accede to them. About the same time the Illinois operators, although they had refused to attend the Cleveland parleys, also took a step in the direction of peace. They offered the strikers of the Illinois mines better terms than had been offered before. On August 15 those attending the Cleveland conference came to an agreement for the maintenance of the old wage scale to run to the following March 31 and for the

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setting up of machinery for making a new agreement before that time. Within a few weeks the entire union tonnage had accepted this agreement. The United Mine Workers had succeeded in what operators had thought impossible, the avoidance of a wage reduction, the insistence upon which by operators had caused the strike. This settled at least temporarily the strike in the bituminous mines. Thereupon the anthracite operators and their employees, after the former had vainly tried to make the acceptance of arbitration a condition of renewing the old wage scales, on September 4 agreed to extend the old scale of wages to August 31, 1923, without conditions. The negotiations, carried on at Philadelphia, were participated in by Secretary of Labor Davis, and Senator George Wharton Pepper of Pennsylvania. The miners hailed these settlements as a great victory. John L. Lewis in the September issue of the *American Federationist* wrote: "More than 100,000 men were added to the membership roster of the organization during the conflict who were employed in the fields rated as non-union prior to April 1. The mine workers have won their contention against the effort to divide their union into thirty or more segregated units and accept the theory of negotiation of wage contracts by districts." — In January the bituminous operators and representatives of the Mine Workers signed an agreement, effective for one year beginning April 1, which was practically the same as that of the previous year. The agreement called for a wage of $7.50 a day for day's work and $1.08 a ton where the tonnage basis was used. It continued the eight-hour day, the six-day week, the check-off system, guarantees for contract violations, and provisions for the settlement of disputes relative to wages and working conditions.—Early in May the officers of the United Mine Workers submitted arguments to the United States Coal Commission to the effect that the complete unionization of the bituminous industry and the abolition of the open-shop system in West Virginia and other states would tend to eliminate periodical coal strikes and consequent coal famines.

One of the factors that brought the coal strike to a close was the **railway shopmen's strike** that began on July 1. This strike also was caused by wage reductions (*cf.* last RECORD, p. 57) announced by the Railroad Labor Board. It was estimated that ninety per cent of the shopmen quit work, with the result that service was crippled on many roads. The maintenance-of-way men, however, refused to join in a sympathetic strike. The Labor Board pledged that any workmen who should take the places of the strikers would be protected by the government and action was taken by the Attorney General and United States marshals to prevent interference with the movement of mail trains. On July 14 about 90,000 more men joined the strike when the American Federation of Railroad Workers voted to support

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the shopmen. In the meantime the Labor Board had declared the strike not against the roads but against the Government since the men had refused to abide by the Board's decisions. It also stated that men taking the places of the strikers would not be considered strike-breakers and should be entitled to official and public support. The menacing character of the strike led President Harding on July 31 to make the following proposal to the contestants: (1) railway managers and workmen to agree to recognize the decisions of the Labor Board as binding and to carry them out faithfully; (2) carriers to withdraw all suits growing out of the strike and the Labor Board's decisions to be reconsidered by the Board; (3) employees on strike to be returned to their work with their seniority rights unimpaired and with no discrimination by either party against employees who did or did not strike. This proposal of the President was rejected by the railway executives so far as it referred to seniority rights. The shopmen on August 2 voted to accept fully the President's proposal. On August 7 the President made another proposal in which he said, "Mindful of the pledge of both the executives and the striking workmen to recognize the validity of all decisions of the Railway Labor Board, I am hereby calling on the striking workmen to return to work, calling upon the carriers to assign them to work, calling upon both workmen and carriers, under the law, to take the question in dispute to the Railway Board for rehearing and decision and a compliance by both with the decision rendered." The representatives of the railroad brotherhoods had declared that the condition of the equipment of the roads had so deteriorated as to endanger the lives of engineers, trainmen and firemen, and advised their men in case of personal danger to remain away from work.—A new phase of the shopmen's strike was ushered in at the beginning of September when Attorney General Daugherty obtained from Judge Wilkerson of the United States district court in Chicago a sweeping injunction restraining the striking shopmen, and all their officers and the affiliated organizations in the American Federation of Labor from interfering in any manner with the operation of the railway service. On September 18 the Executive Council of the American Federation of Labor advised the organized workers of the country to resist the injunction on the ground that it was unconstitutional. In order to test the constitutionality of the Attorney General's act the International Brotherhood of Electrical Workers petitioned for an injunction to prevent the government authorities from carrying out in the District of Columbia the Wilkerson injunction. Their petition was denied. On August 29 the Labor Board had denied the motion of W. Jett Lauck, labor statistician, to the effect that the Board define more accurately the "living wage" principle. This the Board denied on the ground that it could go no further than the Transportation Act

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prescribed. On September 13 the strike was practically settled when the Railroad Shop Crafts conference at Chicago stated that the shopmen could return to work individually on such roads as accepted the agreement framed. No specific reference was made to the knotty seniority problem but it was expressly stipulated that the men should return to work under the existing wage schedules. The men were thus left to make their own terms with the individual companies. By the end of the month the strike was virtually settled by the wide acceptance of the conference plan.

In January the **Brotherhood of Locomotive Engineers** purchased a controlling interest in the Empire Trust Company of New York City with a view to facilitate the metropolitan financial transactions of the cooperative bank in Cleveland, Ohio. There has been a tendency during the last year for labor to establish better banking and credit facilities by entering the banking field directly. Another illustration of this was furnished in April when more than 10,000 garment workers attended the opening of the Amalgamated Bank at Union Square, New York City.

The strike of the New England textile workers (*cf.* last RECORD, p. 55) which began early in 1922 lasted until October. The cause of the strike was the proposed reduction in wages amounting to twenty per cent, ordered by the New England Manufacturers' Association, the second reduction since 1920. The strike spread rapidly from Rhode Island to New Hampshire and Massachusetts and involved not less than 100,000 members of the United Textile Workers. In the January, 1923, issue of *The American Federationist* Thomas F. McMahon, president of the Textile Workers, said that his organization "came out of the prolonged struggle a bigger, better, and above all, a recognized militant organization." He added, "Our textile workers suffered terrible hardships, particularly the women and children, the vast majority of whom feel well repaid by forcing the mill barons to withdraw their 20 per cent cut in wages and in some cases give increases ranging from 6 per cent to 12½ per cent." Early in 1923 the workers began an agitation for wage increases in the cotton and woolen mills, and at the end of March there were general wage increases in the New England manufacturing centers averaging about 12½ per cent. The Amoskeag Manufacturing Company of Manchester, New Hampshire, one of the largest cotton mills in the country, issued a statement on March 28 that its 13,500 operatives would be placed on a wage scale 12½ per cent higher on April 30.

There were **wage increases** in a number of other industries during the last year. Thus on August 22 the United States Steel Company announced an advance of twenty per cent in the wages of day laborers—increasing the scale for a ten-hour day from $3 to $3.60. About 156,000 men were affected by the increase. The wages for

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those who work twelve hours a day were advanced from $3.60 to $4.32. A number of other steel companies made similar increases. In April the Steel Corporation announced another increase amounting to eleven per cent, which action was followed by other concerns. Although the maintenance of the twelve-hour day in the steel industry was widely condemned, the American Iron and Steel Institute on May 25 declined to abolish it. The committee report, unanimously adopted by the Institute, stated that the twelve-hour day in the steel industry was not necessarily injurious to employees physically, mentally or morally, and that in view of the shortage of labor it would be impossible to shorten hours without seriously diminishing production. —In April the wages of some 80,000 workers in the packing industry were increased eleven per cent.

On April 9 the United States Supreme Court held that the **minimum wage law** of the District of Columbia was unconstitutional in that it interfered with the liberty of contract guaranteed the individual as against the national government by the due process clause of the Fifth Amendment. Chief Justice Taft, with whom Justice Sanford agreed, and Justice Holmes submitted strong dissenting opinions. The decision of the Court was delivered by Justice Sutherland.—On June 11 the Supreme Court held that the **Kansas Court of Industrial Relations** could not fix wages in a packing plant on the ground of public interest, and that the act establishing the court violated the due-process clause of the Fourteenth Amendment.

TERRITORIES AND DEPENDENCIES.—As a result of general elections in **Alaska,** Dan Sutherland, Republican, defeated Tex J. White, Democrat, for delegate to Congress.—William P. Jarrett, the first Democratic delegate ever sent to Congress from **Hawaii,** defeated his Republican opponent, John Wise, by 2,682 votes. Sessions of foreign-language schools in Hawaii were forbidden except in public school vacation periods.—In January Secretary of War Weeks recommended legislation to permit the President of the United States to lease to private interests the oil and coaling plants in the **Panama Canal Zone** owned jointly by the Panama Canal and Panama Railroad Company. — The first national convention of the Collectivist Party, which carried both houses of the legislature of the **Philippine Islands,** adopted a platform in October favoring immediate and complete independence of the islands and curtailment of the Governor General's powers pending the achievement of independence. The Philippine legislature refused the request of the Washington Government to annul the law requiring all commercial books to be kept in English, Spanish or some native dialect. On February 17 Pedro Guevara was chosen to succeed Jaime de Veyra as Resident Commissioner in Washington. On May 30 Governor General Wood announced that he would call a special session of the Philippine

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Legislature that it might enact laws liberalizing the shipping, forestry and mining laws so as to attract outside capital. The Bureau of Education in May reported 8,174 schools in the Philippines, of which 7641 were public with an attendance of 1,094,472 children, and 533 private, attended by 64,835. Of the 24,878 teachers, 341 were Americans. In May the Governor General denied the charge made by Representative Frear of Wisconsin that he had ever stated that any member of the American Congress had been bribed by the Philippine Independence Fund.—After listening for months to repeated charges of maladministration and demands for his removal, E. Mont Reily resigned the governorship of **Porto Rico** on February 16. He was succeeded by Horace M. Towner of Iowa.

III. MEXICO AND THE CARIBBEAN STATES

MEXICO. — Thanks to the Obregon administration, Mexico enjoyed comparative peace and prosperity. Petty revolts and revolutions were summarily crushed and the program of **social reforms** inaugurated last year (*cf.* last RECORD, p. 60) was carried forward. In this connection a general amnesty was granted to all rebel prisoners in order that they might engage in some useful occupation. In an effort to reduce the colossal illiteracy in the republic 45,000,000 pesos were allotted to the Department of Education for the year as against 33,000,000 for the War Department. Expropriation of large estates for the benefit of the peasantry continued, and on March 31 the Department of Agriculture sent out circulars directing all holders of land in excess of 5,000 acres to dispose of their surplus to Mexican citizens. — An attempt to reorganize the nation's **finances** was eminently successful, a new Federal Bank, patterned after the Federal Reserve System of the United States, having been established. The problem of the foreign debt, totaling $700,000,000 principal and interest, was solved when on July 16 Mr. de la Huerta, Mexican Finance Minister, signed an agreement with a committee representing the International Bankers (*cf.* last RECORD, p. 61). By the terms of this agreement part of the current interest on the bonded debt was to be paid in cash out of a special fund provided for this purpose. These payments, which began after January 2, 1923, were based upon the relative values and priorities of the different issues of the bonds, For such part of the current interest as could not be paid in cash, scrip was to be issued and redeemed in due course, certain bonds being made available for this purpose. The special fund for the current interest was to be increased each year until January 1, 1928, when full service of the debt would be resumed. The oil export taxes (*cf.* last RECORD, p. 60), ten per cent of the gross receipts of the national railways, and the entire net operating revenues of such rail-

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ways were to be paid into this special fund. Part of the back interest was virtually cancelled, and all classes of bondholders were to agree to temporary suspension of sinking-fund rights for a period of five years. The railways, whose bonds constituted part of the debt, were to be operated by private management. The Mexican Government, however, agreed to assume by endorsement all railway debt not previously guaranteed. On the other hand, the rights of foreclosure, hitherto held by the bondowners, were to be suspended as long as the debt plan was in operation, thus protecting both the stock ownership of the Mexican Government and other shareholders as well as the ultimate rights of the bondholders. In September a bill approving this agreement was unanimously passed by the Mexican Congress and promulgated on September 30 after signature by President Obregon.

Notwithstanding the apparent stability of the Obregon Government, the United States, Great Britain and France continued the policy of **non-recognition.** In the case of the United States, the Harding administration still adhered to its original idea that the Obregon Government had not as yet given sufficient guarantees for the protection of the rights of private property. As a condition of recognition, Secretary of State Hughes consistently demanded that Mexico first sign a treaty agreeing to modify certain parts of her constitution and to make specific pledges regarding property and taxation which would be beneficial to citizens of the United States. This the Mexican Government just as consistently refused to do (*cf.* last RECORD, pp. 59-60). In his message to the Mexican Congress on September 1, President Obregon advocated a policy of "careful waiting", as regards the United States. Mexico, he declared, would not yield to the unreasonable demands of the United States, would not make humiliating promises, and would continue her present attitude "until the field was cleared of all obstacles to recognition." No amendment to Article 27 of the Mexican constitution was necessary, he said, inasmuch as the Mexican Supreme Court had declared that article non-retroactive. Secretary Hughes, however, stated that the ruling of the Court did not effectively deal "with the rights of American citizens in lands containing petroleum or other subsoil substances where lands were owned prior to May 1, 1917, but had not been developed, or as to which leases or contract rights to prospect for and work petroleum had not been granted before that date." In an effort to end the deadlock between the two countries Charles B. Warren and John Barton Payne, representing the United States, and Ramon Ross and Fernando Gonzalez, representing Mexico, met in Mexico City on May 14. Mr. Warren at the outset emphatically declared that the United States would insist upon Mexican recognition of the principle of vested rights. That the Chamber of Deputies en-

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dorsed President Obregon's method of handling the difficult problem was evident when on May 17 it expressed confidence by a vote of 131 to 9. American oil interests desired that Article 27 be rendered ineffective by amendment or otherwise. Figures compiled by the Mexican Department of Industry and Commerce indicated that the total foreign investments in the oil industry in Mexico amounted, to December, 1922, to $485,553,309, and the total profits, after deducting operating and overhead expenses, rent, etc., were $513,993,618, or an excess of profits over investments of $24,440,309.

During the year considerable friction developed between the **State and Church.** On January 19 Mgr. Filippi, the Papal delegate, was expelled from the country for participating in an open air ceremony which the State had forbidden. This action brought a storm of protests from Catholics both in Mexico and the United States. Replying to the Mexican Catholics, President Obregon declared that the Government's social program was essentially Christian and, in agreement with Catholic principles, essentially humanitarian; that the Government was merely seeking to do all in its power to relieve oppressed people who, during long and bitter years, had suffered "all manner of injustice." Anti-Catholic societies sprang up in many Mexican states to counteract alleged religious interference in politics. On December 25 the Archbishop of Mexico officially denied that the Mexican Fascisti movement was backed by the Catholic Church with a view to eliminating the working class and the farmers from Mexican politics and dominating the next presidential election.—Congressional **elections** held on July 2 resulted in an increased representation in both houses for the Cooperistas supporting President Obregon. — A number of **strikes,** notably in Mexico City and Vera Cruz, occurred during the year.—Mexico's **population** at the end of 1921 was 13,887,080, a decrease of 1,293,279 under 1910. During the year President Obregon encouraged Jewish refugees to migrate to Mexico.

THE CARIBBEAN STATES. — The successful efforts of General Crowder to reduce public expenditures in **Cuba** (*cf.* last RECORD, p. 61) led to a mild anti-American demonstration. The policy of the United States, many Cubans declared, was purely dictatorial. "The hatred of North America," the *Nacion* stated, "will be the religion of the Cubans." The Secretary of the Treasury and three other cabinet members resigned in protest, and as a result a new cabinet was formed as follows: Carlos Manuel de Cespedes, Secretary of State; Colonel Manuel Despaigne, Treasury; Ricardo Lancis, Interior; General Armando Montes, War and Navy; Erasmo Reguciferos, Justice; Captain Castillo Pokorny, Public Works; Francisco Zayas, Instruction; and Pedro Betancourt, Agriculture. During September and October five reform measures suggested by General Crowder were adopted: (1) modification of the Civil Service Law; (2) improve-

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ment of the system of accounting; (3) investigation of the floating indebtedness; (4) a law facilitating removal of judges; and (5) provision for a foreign loan of $50,000,000. As a measure of economy, the salary of senators was cut from $30,000 a year to approximately $21,000, and of representatives from $12,000 to $10,000. The Cuban $50,000,000 thirty-year 5½ per cent loan was underwritten by J. P. Morgan and Company.—On the principle that treaties take precedence over federal laws, the United States Treasury Department ruled, December 20, that all imports from Cuba were on the free list by the reciprocity agreement of 1897, regardless of whether the recently enacted United States tariff law made them dutiable or not.—On January 11 the United States raised the rank of the legation at Havana to that of embassy; General Crowder was nominated as the first American Ambassador. — Cuban elections held on November 1 resulted in a Liberal landslide.—The first Annual Congress of Cuban Women in April demanded laws to compel fathers of illegitimate children to contribute to their support in proportion to their income.

On September 28 an issue of $16,000,000 Haitian thirty-year 6% bonds, constituting part of the $40,000,000 authorized by the protocol between **Haiti** and the United States in 1919, was awarded to the National City Bank of New York. The Haitians vigorously protested against this loan and the Haiti-Santo Domingo Independence Society (*cf.* last RECORD, pp. 61-62) broadcasted the statement that the loan was based on military invasion, on the overthrow of the Haitian government, the imposition of a treaty and a new constitution by "military pressure," and election of a dummy president. The loan, the Society asserted, automatically extended American occupation for at least thirty years and would be repudiated by the Haitian people at the first opportunity. The greater portion of the loan was to be used to refund Haitian loans outstanding in France. United States Senator Borah was of the opinion that not more than one-fifth of the loan would go to the development of Haiti, and that this would be used to defray the cost of surveying to validate title to lands acquired by American companies. John A. McIlhenny resigned as Financial Adviser to Haiti on October 21; President Harding named John S. Hord as his successor. Reports to the American High Commissioner indicated that during the past year the death rate had decreased and that banditry had practically ceased. Orders were issued in March for the withdrawal of the American marines from the interior.

Detailed plans for the withdrawal of the American military forces from **Santo Domingo** and restoration of full governmental powers to the Dominican people were announced by Secretary of State Hughes on July 11. On October 6 Juan Bautista Vicini Burgos was named as Provisional President, and two weeks later the régime of American Occupation nominally terminated. A government decree embodying

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the terms of a proposed treaty with the United States and approving the orders, resolutions, administrative rulings and contracts made by the American authorities, was issued on October 27. The American Government demanded specific recognition of the bond issues authorized in 1918 and 1922 (*cf.* last RECORD, p. 62) as a prerequisite of withdrawal. American troops were not to leave the Republic until a constitutional government had been established.

On March 22 **Costa Rica** authorized an internal loan of $3,000,000 to cancel the country's external debt.—President Orellana of **Guatemala** granted amnesty on July 4 to all persons committed to prison for military offenses. Less than a month later, however, he was forced to use drastic measures to suppress a revolution aimed at his overthrow.—**Honduras,** according to press reports, on November 15 notified the League of Nations of its intention to withdraw from membership. After a protest by labor leaders, the authorities forbade further immigration of negroes to work on the banana plantations.—The government of **Nicaragua** was troubled by numerous revolutionary outbreaks, and was still largely dependent for its existence upon the United States.—The **Panama** National Assembly on February 14 approved the issue of a loan of $4,500,000 for highway construction purposes. This was to be secured by the investment of $6,000,000 by Panama in New York City real estate. Elections held on September 14 for three "designates," the first of whom would succeed the president if he should die, resulted in a victory for the Government party. —Alfonso Quinonez Molina was elected as President of **Salvador** on January 14.

IV. SOUTH AMERICA

THE ABC POWERS.—Conditions in the **Argentine** Republic, while not as favorable as last year, were nevertheless far from distressing. Farmers and cattle-raisers suffered from droughts, and the general European depression gravely curtailed the markets for their produce. The flow of immigrants greatly increased, large numbers coming from Belgium, Germany and the Slavic countries. During the year Hugo Stinnes, the German industrialist, purchased large tracts of land in northern Argentine for cotton-growing purposes. Señor Honorio Pueyrredon, former Secretary of Foreign Relations, was appointed as Ambassador to Washington.—On August 5 Arthur Bernardes, President-elect of **Brazil,** formed his cabinet, selecting Carlos de Campos as Minister of Justice and Asais Brazil as Foreign Minister. The exposition commemorating the centennial anniversary of Brazilian independence opened at Rio de Janeiro on September 6. During his visit to the exposition Secretary Hughes took occasion to declare that the United States as a nation had no imperialistic designs

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toward Latin America. The recently completed national census showed that the total population of Brazil had reached 30,000,000. In population Brazil thus ranked third among the so-called Latin countries of the world, being larger than Spain but smaller than France and Italy. So vast was the territory of the country, however, that its average density was only 3.6 inhabitants per square kilometer. During the year 1922 European consumption of Brazilian rubber surpassed that of the United States, 6,738 tons being shipped to European ports as against 5,574 tons to the United States. In 1921 the United States imported 10,948 tons and an even larger quantity in former years. On the other hand, Europeans, particularly the British, expressed concern at the growing commercial and diplomatic influence of the United States in Brazilian affairs. In this connection Colonel H. W. G. Cole, head of the British Mission to the centennial celebration, recently emphasized the fact that the Brazilian navy was to be reorganized by American officers and experts. Revolutionary activities in the frontier state of Rio Grande do Sul caused considerable anxiety. All Brazil mourned the death of two of its most distinguished men: Professor Souza Sa Viana, eminent jurist, and Ruy Barbosa, political leader, brilliant man of letters, scientist and scholar. —Negotiations for settlement of the famous Tacna-Arica dispute (*cf. supra*, p. 20) led to a spirited contest between President Allessandri of **Chile** and the Chilean Senate. As a result, the cabinet resigned August 2. By the end of the month a new cabinet had been formed, Antonio Hunewa succeeding Premier Armando Jaramilo as Minister of Interior and Samuel Claro Lastarria taking the place of Foreign Minister Barros Jarpa. Meeting with opposition, this cabinet was of short duration and another came into existence headed by Rivas Vicuna. On January 3 the Vicuna cabinet resigned because of the appointment of Braulio Moreno as President of the Supreme Court. President Allessandri then adroitly appointed the two Chilean delegates who had just returned from the Washington Conference (*cf. supra*, p. 21) to the cabinet. Señor Izquierdo was named Premier and Señor Aldunate was made Minister of Foreign Affairs. This reorganized Government, however, did not last long and on March 16 Cornelis Saavedra was called upon to form another ministry. Following a vote of lack of confidence this cabinet resigned on June 11. During the year the Chile copper mines, largest in the world, passed into control of the Anaconda Copper Company.

SMALLER STATES.—The Standard Oil Company of New Jersey acquired a concession of 1,000,000 hectares of prospective oil land in **Bolivia.** The bitter political struggle between President Saavedra and the opposition led to resignation of the majority of the members of the cabinet and to the demand that the executive surrender his office; to date he had refused to comply.—At the request of the Gov-

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ernment of **Colombia** an American Commission, headed by Professor Kemmerer of Princeton University, undertook the reorganization of Colombian finances—The Congress of **Ecuador** refused to authorize a loan of $23,000,000 offered by the Standard Oil Company to be issued at 85 and at 8% interest plus 1% sinking fund.—The decision of the Senate of **Paraguay** reversing the vote of Congress for immediate elections to fill the presidency held temporarily by Dr. Eusebio Ayala (*cf.* last RECORD, p. 64) resulted in a rebellion headed by Colonel Chirife. After five unsuccessful attempts to seize the capital, the rebels were finally dispersed. Following the suppression of the revolution, Dr. Ayala resigned, the direction of the Government being entrusted temporarily to Señor Eligio Ayala, former Secretary of the Treasury. Señor Modesto Cuggiari, former Minister to Brazil, headed the new cabinet. Restoration of public tranquility and reorganization of the public finances constituted the immediate aims of the new Government.—During the year the Government of **Peru** negotiated a loan of £12,000,000 from London capitalists, offering as guarantee the income from the exportation of guano.—Señor Joseph Seriato defeated Señor Herrera in the race for the presidency of **Uruguay.**—Señor Pedro Arcaya succeeded Dr. José Santos Dominici as diplomatic representative of **Venezuela** in Washington. During the year great progress was made in developing the Venezuelan oil fields.

V. THE BRITISH EMPIRE

GREAT BRITAIN.—The growing **opposition to the Lloyd George Coalition Government** came to a climax as the result of the Near Eastern policy of the Prime Minister which threatened to bring Great Britain single-handed into conflict with Turkey (*cf. supra*, p. 11). Even though a resort to war was averted the crisis involved an expenditure estimated at $150,000,000. This was just the sort of thing needed to spur the Opposition to definite action. On October 19 the Conservative members of Parliament at the Carlton Club meeting voted 186 to 87 to withdraw from the Coalition and go to the country as a separate party in the next election. Bonar Law, the leader of this movement, was unable, however, to carry all the Conservatives with him, for several of the most noted of them, including Lord Balfour and Austin Chamberlain, stood loyally by Lloyd George. As soon as the latter learned of the action taken at the Carlton Club he handed in his resignation and recommended that Bonar Law be asked to form a government. Mr. Law undertook the task after having been elected Unionist leader shortly after the Carlton Club meeting. The **Bonar Law cabinet,** containing 16 members, was made up as follows: Andrew Bonar Law, Premier and First Lord of the Treasury; Marquis of Salisbury, Lord President of the

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Council; Viscount Cave, Lord High Chancellor; Stanley Baldwin, Chancellor of the Exchequer; William C. Bridgeman, Secretary of State for Home Affairs; Marquis Curzon, Secretary of State for Foreign Affairs; the Duke of Devonshire, Secretary of State for the Colonies; Viscount Peel, Secretary of State for India; the Earl of Derby, Secretary of State for War; Col. L. C. M. S. Amery, First Lord of the Admiralty; Sir Philip Lloyd-Greame, President of the Board of Trade; Sir Arthur Griffith-Boscawen, Minister of Health; Sir Robert A. Sanders, Minister of Agriculture and Fisheries; Mr. E. F. L. Wood, President of the Board of Education; Viscount Novar, Secretary for Scotland; Sir Montague Barlow, Minister of Labour.

On October 26 the King dissolved Parliament and on November 15 the **elections** were held. There were four parties in the field: the Conservatives under Bonar Law, the Lloyd George Liberals, the Independent Liberals, led by Mr. Asquith, and the Labour Party. The election program of the Conservatives may be summarized as follows: a policy of tranquility and stability with free scope to initiative and enterprise; revision of the machinery of the central government including a transfer of most of the work of the cabinet secretariat to the Foreign Office; the loyal fulfilment of foreign obligations with no new commitments but if possible curtailment; full cooperation with France and the other Allies; whole-hearted support of the League of Nations; maintenance of friendship with the United States; close and continuous consultation with the Dominion governments; ratification of the Irish Treaty and a pledge to safeguard the security of the parliament of Northern Ireland; development of India under the 1919 constitution; emergency measures to deal with unemployment; rigid economy; assistance to agriculture; and the development of trade within the Empire to be considered by an economic Imperial Conference.—Mr. Lloyd George advocated a policy of peace, working with the allies but "not tied behind the chariot of any other land"; reparations within Germany's capacity to pay; a renewal of the pact with Russia; a league of all nations; cooperation with the United States; stern economy without tariffs; industrial cooperation; generous encouragement of agriculture; and the employment of state credit for Imperial development. — The Asquith Liberals declared themselves in favor of disarmament secured through the League of Nations; the revision and settlement of reparations and debts among the Allies; drastic economy through the abandonment of military adventures abroad; unemployment relief and the honest and fair treatment of organized labor; unqualified free trade and the repeal of the Safeguarding of Industries Act; political and legal equality for men and women; taxation and rating of land values; the democratic reform of the licensing system; and proportional representation.—The Labour party announced itself in favor of many radical

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changes, including the revision of the peace treaties and the scaling down of reparations to a sum within Germany's capacity to pay; an all-inclusive League of Nations; real independence for Egypt, self-government for India, and the acceptance of the Irish Free State Constitution; a graduated levy on fortunes exceeding £5,000 to form a war debt redemption fund; increase of death duties and the super-tax; no taxation on incomes of less than £250, and the reduction of taxes on incomes below £500; the taxation of land values; the revision of national grants in order to secure rate reductions in severely pressed districts; work or maintenance for the unemployed; the reorganization of agriculture on the theory that landlords should sacrifice rents rather than ask the workers to accept starvation wages; the nationalization of the mines and railways with an increased share of control vested in the workers; a national housing scheme; larger old-age pensions; the removal of all disabilities affecting women as citizens, voters and workers; and the control of the liquor traffic according to the will of the people.—In all there were contests for 558 of the 615 seats in the House of Commons, since 42 Unionists, 5 Liberals, 5 National Liberals, 4 Labour, and 1 Nationalist were returned unopposed. The total number of candidates for the contested seats was over 1400, including 444 Unionists, 412 Labour, 339 Liberals and 138 National Liberals (Lloyd George). For each of 242 seats there were three or more candidates. — The election resulted in a triumph for Bonar Law and the Unionists. When the new House of Commons assembled it contained 344 Unionists, 57 National Liberals, 60 Liberals, 138 Labourites, and 16 representatives of minor groups, including one Communist. Thus the Unionists had an absolute majority of 73. Mr. Lloyd George's National Liberals did not win as many seats as they expected, and among the members of the previous Government who supported Lloyd George when his ministry collapsed and who sought re-election, no fewer than ten were defeated, among them Winston Churchill, Captain Guest and Sir Hamar Greenwood. But in spite of the victory for the Unionists not all the newly appointed ministers were reelected. Sir A. Griffith-Boscawen, Minister of Health, Major Hills, Financial Secretary to the Treasury, Mr. Watson, the Lord Advocate, and Colonel Leslie Wilson, the Chief Whip, were defeated. The Labour party became the official Opposition, Mr. Ramsay MacDonald succeeding Mr. Asquith as Opposition leader.

The King opened **the new Parliament** on November 23 and in his speech urged the passage of legislation necessary to give effect to the constitution of the Irish Free State, and called attention to the serious unemployment problem. He stated that the new Government was examining afresh the proposals for unemployment relief formulated by the previous ministry. — The first test of the new Govern-

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ment's strength came when the Prime Minister moved that all the time of the session be given to Government business. This motion was opposed by Labour but the Government won by a vote of 238 to 135. This majority was increased to 131 when the Labour amendment to the address was defeated. Voting with the Government in this division were 34 National Liberals. The most important enactments at the first session were two measures respecting Ireland—the first the Constituent Act, and the second known as the Consequent Provision Act, which dealt chiefly with Ulster. It provided for a governor for Northern Ireland at a salary of £8,000, set up a court of appeals for Northern Ireland and fixed Ulster's contribution toward Imperial liabilities at about £8,000,000 annually. These bills passed their second reading in the Commons on November 25 and their third reading on November 29, without much difficulty. There was likewise little opposition to their passage in the House of Lords though Lord Carson described them as the horrible legacy inherited by the existing Government. The bills received the royal assent on December 5 and the Irish Free State came into being.—Another act passed at the session was that providing for the removal of the embargo on Canadian cattle. On December 15 Parliament was prorogued until February. During the last week of the session the members of the Labour party caused several "scenes" in the House of Commons because of the Government's failure to take more definite action relative to unemployment. At one time they kept the Commons in continuous session from three o'clock in the afternoon until seven o'clock the next morning.

There were a number of **by-elections** held in the months following the election. Upon the resignation of Major Cayzer in South Portsmouth, the Prime Minister induced the Conservatives of that constituency to accept Col. Wilson, the Chief Whip, who had lost his seat in the regular election. In the by-election Col. Wilson was successful. Mr. Arthur Henderson, who was defeated in the general election, was returned from East Newcastle in a by-election caused by the death of Mr. J. N. Bell, a Labour member. Upon the retirement of the Unionist member in one of the divisions of Surrey, Sir Arthur Griffith Boscawen, the defeated Minister of Health, was accepted as the Unionist candidate but was defeated by the Labour candidate. Col. Stanley, Parliamentary Under-Secretary to the Home Office, was also defeated in a by-election at Wellesden. The successful candidate was a Liberal. The defeated ministers necessarily resigned from the ministry. Mr. Neville Chamberlain was appointed Minister of Health and Mr. Godfrey Locker-Lampson, Parliamentary Under-Secretary to the Home Office. Mr. Chamberlain's former place as Postmaster General was taken by Sir William Joynson-Hicks. These Unionist defeats were generally conceded to have weakened

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the Government's prestige considerably. The by-elections held before July 1 resulted in a loss of four seats for the Conservatives, a gain of two for Labour, a gain of two for the Liberals, and a loss of one for Independents. In a June by-election Robert Smillie, noted labor leader and President of the Scottish Miners' Federation, was elected to the House of Commons.

On February 13 the **second session of the new Parliament** was opened. That part of the **King's address** which was devoted to the international difficulties in the Near East expressed the hope that the Turkish Government would yet be induced to sign the treaty offered by the Allies. It was decided by the two wings of the Liberals to present a joint amendment to the address to the effect that since peace could not be restored in Europe because of the **French invasion of the Ruhr** it would be desirable to seek other means provided by the League Covenant to settle this difficulty. In supporting this amendment Lloyd George said that public opinion in France was becoming less favorable to the French adventure, which he characterized as a psychological blunder similar to that made by Germany in 1914. The Prime Minister said in reply that he had never liked the situation that had arisen but thought that further action on the part of the Government would be interpreted by France as a hostile act. Moreover, he had no evidence that the United States was willing to interfere in European quarrels. The Government, he said, had decided that it would be to the interest of the Entente to keep the troops in Germany. Upon the division this amendment was defeated by a Government majority of 109. The Labour Amendment calling for an immediate and drastic curtailment of British responsibilities in **Mesopotamia** was defeated by a majority of 106.—After the reply to the address had been agreed to, the House of Commons began the consideration of the **budget** estimates. Financial matters took up the greater portion of the time until the end of June but considerable attention was given to foreign affairs and non-financial legislative proposals. During March there was much discussion of the Government's "**no Ruhr policy**", a phrase based upon the Prime Minister's statement on March 7 "that to have a policy which could not succeed was worse than to have no policy at all." Sir John Simon, Independent Liberal, stated that the British Army, instead of continuing to hold its own sector of the occupied area, with Allies to the right and left, was now completely surrounded, that it now had no contact with unoccupied Germany at all; and that as a result British trade interests in the Cologne area were seriously prejudiced. Mr. Asquith also stressed the injury to British manufacturers and traders caused by French operations. He thought that it was time for the Government to pursue a vigorous policy, and that seizing the opportunity of calling the League of Nations into operation in regard to this

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matter far from being a hostile act toward France would be an act of true friendship. In the division that followed this debate the Liberals and Labourites combined against the Government with the result that its majority was reduced to 48. — The publication of the **army, navy and air estimates** about the middle of March indicated the intention of the Government to reduce expenditures by substantial amounts. The Army estimates amounted to £52,000,000 as compared with £62,300,000 the previous year, while the navy estimates amounted to £58,000,000 as compared with £64,883,000. The air estimates showed an increase from £10,895,000 to £12,011,000. The secretary in introducing these estimates stated that the increase was due to the scheme of expansion for home defense which had previously been reported to Parliament.

On April 16 Stanley Baldwin, Chancellor of the Exchequer, presented his **budget** speech. He announced a reduction in the income tax from the standard rate of 5*s.* to 4*s.* 6*d.* in the pound; a reduction of the corporation tax from 1*s.* to 6*d.* in the pound as respects profits arising after June 30, 1923; and a rebate of £1 per barrel of beer (the excise and customs duty being £5 per barrel). Postal and telephone rates were also slightly reduced. The following balance sheet for 1923-4 was presented: estimated revenue, £818,500,000, of which £700,000,000 would come from taxes and £118,500,000 from other revenues; estimated expenditure, £816,616,000, of which £380,470,000 would be used for the debt services, and £436,146,000 for the supply services, leaving an estimated surplus of £1,884,000. £40,000,000 was set aside for the debt sinking fund. The internal and external debt amounted to £7,773,506,000. The budget was well received by Parliament and the country at large. Especially pleasing was the evidence that the peak of taxation had been passed.

A sensation was caused on April 10 when, on a snap division called while many Conservatives were away from the House, the Government was defeated on its motion that the Speaker leave the chair on going into Committee on the Civil Service estimates. The combined opposition of Labour and Independent Liberals with several National Liberals and a few Conservatives brought about the Government's defeat by a majority of 7. The only minister present, Mr. Neville Chamberlain, then moved adjournment, which was carried. On the following day the Labour Opposition loudly demanded the resignation of the Government and during the stormy session there were several personal encounters between ministerialists and Labour members, the latter venting their enthusiasm by singing "The Red Flag". The Speaker finally suspended the sitting. The next day the Government acceded to the Labour demand for an inquiry into the condition of ex-service men, the subject which had brought about the defeat two days before. Shortly after this defeat the Government obtained

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its normal majority of 107 votes.—Just before the Easter recess great public interest was aroused by Philip Snowden's bill for the nationalization of land and the abolition of private property in land. The Prime Minister, in view of the importance of the resolution, promised to grant time later in the session for the consideration of the bill.

For some time the Prime Minister's health had been failing, and when his vacation did not hasten his recovery he handed in his resignation on May 20. The choice for his successor lay between Marquis Curzon, Secretary of State for Foreign Affairs, and Stanley Baldwin, Chancellor of the Exchequer. The fact that Lord Curzon was a member of the House of Lords, in which body the Labour party as official Opposition had no representation, doubtless was a strong factor in bringing about Mr. Baldwin's selection on May 22. Three days later the composition of the **new ministry** was announced. In the main the Law ministry was retained. Mr. Baldwin, the Prime Minister and First Lord of the Treasury, retained his position as Chancellor of the Exchequer, but it was announced that Reginald McKenna, who had been Chancellor of the Exchequer in Mr. Asquith's cabinet, would, as soon as his health permitted, resume his old position. Lord Robert Cecil was appointed Lord Privy Seal, Sir Samuel Hoare, Secretary for Air, Sir William Joynson-Hicks, Financial Secretary to the Treasury, and Sir Laming Worthington-Evans, Postmaster General. The remaining members of the old cabinet were retained. Mr. Baldwin was at once elected as leader of the Conservative and Unionist party, in succession to Mr. Bonar Law, who however retained his seat in the House of Commons.

During May and June a great deal of time was given by Parliament to the consideration of foreign affairs, particularly British relations with Russia, and also to financial matters. However, a few acts were added to the statute book. The **Indemnity Bill**, arising out of the legal complications in which the Home Secretary, W. C. Bridgeman, had become involved through his summary procedure in arresting and deporting to Ireland about 100 persons accused of conspiracy against the Irish Free State, was piloted through the House by Lord Robert Cecil and passed at the beginning of June. It provided compensation for any loss or damage sustained by a deportee, the sum being such as would be recoverable if action were brought in the courts. In the Lords, Viscount Grey secured the addition of a clause affirming the long-established principle of the Constitution that the executive should not, without the previous and special authority of Parliament, exercise the powers of arrest without bringing to trial by due process of law.—Early in June the Government brought in a **Rent Control Bill** providing that control of all houses be continued to June, 1925, that houses be decontrolled whenever the landlord regained possession, that landlords who owned houses before June, 1922,

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could obtain possession if required for themselves, any of their children, any person resident with them or any person engaged in the whole-time employment of themselves or a tenant; that houses could be acquired if needed by local authority, or for any purpose in the public interest; and that rent controversies between landlords and tenants should be settled by county courts with the assistance of the Ministry of Health. The bill received its second reading by a majority of 164 votes. Mr. Sidney Webb on behalf of the Labour party had moved the rejection of the bill on the ground that it was a measure for decontrol and not for continuing control, but his motion was lost.—A bill modifying the **Unemployment Insurance Act** received the royal assent early in April.—In June four private members' bills were sent to the Lords after having been passed by the Commons. They included the **Legitimacy Bill,** by which the subsequent marriage of the parents of an illegitimate child was given the retroactive effect of legitimizing its birth; the **Bastardy Bill,** substantially raising the total amount of maintenance permitted to be claimed and improving in other respects the status of unmarried mothers and their children; a bill increasing the maximum sum recoverable from railway companies for **fire damages** caused to standing crops; and the **Matrimonial Causes Bill,** providing for divorce law equality for men and women. The Prime Minister announced that **Lady Astor's Liquor Bill** prohibiting the sale of intoxicating liquor to persons under eighteen years of age would be given Government time if it failed of passage during the limited time remaining for private members' bills. There were debates in June on the proposal to improve the naval base at Singapore and much time was given to the consideration of the Finance Bill.—*Cf.* p. 24, *supra.*

Probably the greatest problem that the British Government had to face during the year under review was that of **unemployment.** Demonstrations by the unemployed were frequent and the Labour party was persistent in its criticism of the Government for its alleged failure to remedy the situation. On March 22 the number of persons registered as unemployed was 1,300,000. Strikes were frequent and involved large numbers. In agriculture, coal-mining and skilled electrical work about 50,000 men were on strike on April 1 and about 700,000 more were involved in disputes with their employers.

IRELAND.—During the year under review the Provisional Government for Southern Ireland (*cf.* last RECORD, p. 74) was succeeded by the regular Government set up under the Anglo-Irish Treaty and the new constitution of the Irish Free State. Peace, however, was not established, for **the Republicans** kept up almost continuous warfare against the Free State Government. Outrages and reprisals followed each other in swift succession. After the national troops had subdued the irregulars in Dublin (*cf.* last RECORD, p. 76) attempts were made to

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clear the southern and western provinces of insurrection. On July 16 the Provisional Government issued a manifesto to Commander-in-Chief Collins which expressed a determination to suppress the revolt. Shortly afterwards many of the strongholds of the irregulars were taken, but guerilla warfare continued. — A grievous loss befell the Free State on August 12 when **Arthur Griffith,** President of the Provisional Government died and again on August 22 when General **Michael Collins** was killed in an ambush. These two men were the most prominent leaders of the new Government and for a time it seemed as if the failure of the new state were certain. However, the remaining Free State authorities took immediate steps to continue the Government. General Richard Mulcahy, Chief of the Free State General Staff, was appointed Commander-in-Chief of the National Army and William T. Cosgrave was made temporary head of the Government. On August 10 Cork had been captured by the national forces but there was no decisive defeat of the irregulars, whose leaders Erskine Childers and Miss Mary McSwiney, escaped. It was estimated that by the middle of August the war had done $100,000,000 damage to property. When the Parliament opened on September 9 the following **permanent Government** was set up: William T. Cosgrave, President; Desmond Fitzgerald, Minister of Foreign Affairs; Kevin O'Higgins, Minister of Home Affairs; Ernest Blythe, Minister of Local Government; Patrick Hogan, Minister of Agriculture; Joseph McGrath, Minister of Industry, Commerce and Labour; John McNeil, Minister of Education; General Richard Mulcahy, Minister of Defence; J. J. Walsh, Postmaster General; and E. J. Duggan and Finian Lynch, Ministers without portfolio. These leaders expressed a firm determination to restore peace by suppressing Ireland's "bad internal friends," and to make the Anglo-Irish Treaty effective by setting up the new constitution in accordance with that compact.—During September and October the deliberations of the Parliament were directed chiefly to the provisions of **the new constitution** that had been drafted in June (*cf.* last RECORD, p. 75). On second reading the constitution bill was adopted on September 21 by a vote of 47 to 16, and it went to the committee stage. On September 26 the clause setting up a legislature comprised of the King and two houses was accepted by a majority of 27. On the next day the debate centered about the Government's proposal to establish military courts to try persons charged with endangering the public safety. President Cosgrave declared during the debate that the irregulars could have peace at any moment by surrendering their arms to the peoples' Parliament. The plan was agreed to on September 28. On October 3 the clause of the constitution containing the oath of allegiance to King George was adopted by a large majority. The third reading of the Constitution Bill was granted on October 25. All that was now re-

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quired was the sanction of the constitution by the British Parliament. This was given early in December (*cf. supra*, p. 72).—On October 9 the Government submitted its **budget estimates** to Parliament. The total was £37,709,000, and included the following items: army, £7,245,000; civic guard, £693,000; secret service, £220,000; compensation for property destroyed, £10,000,000; old-age pensions, £3,326,000; education, £3,863,000; post office, £2,756,000. The total exceeded the estimated revenues by £10,000,000 but it was pointed out that the expenditures were largely extraordinary.—When the Government's **offer of amnesty** to the "Republicans" expired on October 15 it was found that the offer had been ignored. **Sporadic fighting** continued to occur in many places. On November 10 national troops captured Erskine Childers, chief lieutenant to de Valera, the Republican leader. Childers was convicted before a military court and executed on November 24. About this time de Valera and his followers issued a proclamation in which they accused the Provisional Government of "pursuing rebellion against the republic and of endeavoring to reestablish the British courts." All persons were warned not to take part in the courts set up by the Government on penalty of being deemed enemies of the republic. At the end of November the Republicans again defied the Government by naming a **Republican Government** consisting of Eamon de Valera, President and Foreign Minister; Austin Stack, Finance; J. P. Rutledge, Home Secretary; Liam Mellowes, Defence; S. O'Kelly, Local Government; and Robert Barton, Economics. Most of the members, however, were in jail.—When on December 4 it was learned that the British Parliament had passed the Irish Constitution Bill the Provisional Parliament met for the last time. Its members now became members of the Chamber of Deputies of the **new government of the Irish Free State.** Timothy Healy was sworn in as the Governor General. Mr. Cosgrave was selected president of the cabinet. In his speech of acceptance he deplored the opposition the Government had met and paid a tribute to the British by declaring that "from the hour the British were committed to the treaty they have never tried to whittle down one iota of what was due to us. They have stood by the spirit and letter of it with scrupulousness which has been undeviating." After reading a letter of congratulation from Mr. Bonar Law, the British Prime Minister, Mr. Cosgrave nominated the following as constituting his colleagues on the Executive Council: Kevin O'Higgins, Minister of Home Affairs; Richard Mulcahy, Minister of Defence; John MacNeill, Minister of Education; Ernest Blythe, Minister of Local Government; Joseph McGrath, Minister of Industry, Commerce and Labour; and Desmond Fitzgerald, Minister of Foreign Affairs. The President also announced his list of thirty nominations for the Senate.—The Commons and the Senate of **Northern Ireland** lost no time in voting the six northern counties out of the

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Irish Free State in accordance with the Anglo-Irish treaty. Sir James Craig, the prime minister of Ulster, made it clear that the condition of peace and happiness for Ireland as a whole, for all time possible of being foreseen, depended upon the continuance of partition. He stated that Ulster and the Free State would cooperate, but as independent units. With the Boundary Commission he would have nothing to do. His Government would ignore it altogether since it was the result of negotiations that had been carried out behind the back of the Northern Government. The King appointed the Duke of Abercorn as the first governor of Northern Ireland. — The **Free State Senate** held its first meeting on December 11 and on the following day at a joint session the King's letter was read and Governor Healy delivered his address presenting the cabinet's legislative program. The entire labor representation was absent from this session. On December 17 the last British troops departed for England. The hope that the inauguration of the Free State Government would be followed by a cessation of **hostilities between the national forces and the irregulars** proved to be ill-founded, for scarcely had the Government leaders been sworn in when irregulars fired the residences of several ministers. Fighting continued in various parts of the country throughout the period under review, the Republicans endeavoring to injure the economic life of the country through the wholesale destruction of railways, bridges and houses. Up to February 6 the Free State Government had executed 55 persons in reprisal for the outrages suffered.—In his **budget** presented on April 13 President Cosgrave placed the estimated expenditures at £46,500,000, more than half of which would be needed for the army and compensation for damages caused by rebels. Receipts were estimated at £26,000,000, leaving a deficit of £20,000,000 to be met by borrowing.—On April 10 Liam Lynch, the Republican chief of staff, died after having been wounded and captured by national troops. His death was considered a great blow to the Republican cause. A few days later Austin Stack was captured.—Although there were sporadic outbreaks of violence during May and June, the Free State Government appeared to be restoring peace gradually.

CANADA AND NEWFOUNDLAND. — Politically Canada had a rather quiet year. Defection in the ranks of the Progressive party together with the resignation of its leader, the Hon. T. A. Crerar, gave Premier King a working majority of two, thus relieving the Government from the necessity of yielding to the insistent demands of the "rural bloc". Mr. Robert Forke succeeded to the leadership of the Progressives. — After twenty-seven years in office, George H. Murray, Premier of **Nova Scotia,** resigned on January 24; he was succeeded by G. H. Armstrong, Minister of Public Works and Mines. —As a result of general elections in the Province of **Quebec,** the Lib-

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eral government, headed by Premier Louis A. Taschereau, retained its majority. Of the 85 seats contested, the Liberals won 62 and the Opposition 22, with one seat unfilled. Previously the Liberals had 65 seats and the Opposition 16. The election was fought out mainly on the question of government administration of the liquor traffic. The Opposition charged that the administration was supplying liquor in large quantities to American bootleggers. In Montreal the Opposition captured 13 out of 15 seats; Arthur Sauve, leader of the Opposition, was elected.—The voters of **Manitoba** on June 22 decided by a majority of over 35,000 in favor of legislation for government control of liquor.—General elections held in **Ontario** on June 25 resulted in a sweeping victory for the Conservatives, who, on latest returns secured 68 seats; Farmer-Labour, 7; Liberals, 13; and Independents, 2. The Farmer-Labour Government during its régime endeavored to enforce prohibition strictly and based its entire campaign on its record in this respect.

During the year Canada faced both **labor and transportation difficulties.** Anticipating trouble with the miners, the Government on August 2 appointed a Central Advisory Fuel Committee to have general supervision over the supply of coal and other fuel throughout Canada. Fortunately on August 24 an agreement was reached between the Western Canada Coal Operators' Association and representatives of its employees whereby 12,000 miners on strike since March 31, 1922, promised to resume work in the mines of Alberta and British Columbia. At the same time the Government deemed it necessary to send several hundred troops into Nova Scotia to quell disturbances in connection with a threatened strike of the railway shopmen. Transportation was also seriously hampered by a shortage in rolling stock, especially box cars. On September 18 a delegation of Canadian railway authorities informed American railway representatives that approximately 30,000 Canadian box cars were being held on the American side of the border, and this at a time when the movement of Canadian grain was at its height. This shortage continued to be felt acutely during the winter and, according to the Canadian Railway Association, there was still an adverse balance of 30,852 box cars in the international exchange on April 27.—The authorities of the Province of Quebec expressed great concern during the year regarding the question of **emigration.** Over 2,000,000 French-Canadians had crossed the border into the United States. Premier Taschereau at Montreal on April 16 in commenting on the situation placed blame for the migration upon the local French press which, he declared, painted too rosy a picture of conditions in the United States. —A succession of fires, thought to be of incendiary origin, damaged or destroyed a number of Roman Catholic edifices during the year; most serious of all was the destruction of the historic cathedral at

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Quebec, known as the Basilica of the Immaculate Conception, on December 22. So numerous were the threats to continue the outrages that the authorities adopted special precautionary measures.

In **Newfoundland** a general election on May 8, called by Premier Squires to obtain popular approval of a plan to finance a pulp and paper industry, gave the Government a substantial majority.

INDIA.—It became more and more evident during the year under review that the advocates of Indian nationalism were rapidly falling into two distinct groups or parties, viz., **liberals and extremists.** The latter, the ardent disciples of Gandhi, imprisoned leader of the non-cooperative movement, still advocated a revolutionary program of passive resistance. The liberals or moderates were recruited largely from the well-to-do middle class who feared that passive resistance against things British might lead to general disobedience and lawlessness. Indeed, during August and September it was reported that many peasants, especially in Madras, Bengal and the United Provinces, were refusing to pay their taxes and this was understood to be but a step toward the non-payment of loans, rents and other forms of debtor obligations. Alarmed by the direction in which the movement was apparently tending, considerable numbers of the bourgeoisie joined the moderates. The moderates accepted the Montagu-Chelmsford measures and were content to achieve their nationalist aims by constitutional means.—Some twenty-five political and religious organizations were represented in the **All-India Nationalist Congress** which opened at Gaya on December 26. After praising the non-cooperative movement, C. R. Das, President of the Congress, made an eloquent plea for Indian home rule. The present British system of reformed councils, he contended, was utterly unsuited to Indian conditions and temperament. He urged that a committee be appointed to consider a home-rule plan modeled more or less on the lines of India's ancient village system. A resolution proposing a boycott on British goods was rejected, but the Congress by an overwhelming majority voted to repudiate any Government of India debts henceforth incurred. Although the Congress voted to uphold Gandhi's policy of abstention from elections to the legislative councils, a new party, headed by President Das and numbering nearly 900 and known as the Congress Khalifat Swaraja (home-rule party), was formed to win a reversal of the decision. The Congress further resolved that India's struggle for liberty would be benefited by her making common cause with other Asiatic countries struggling for national self-determination. Should Great Britain participate in war against Turkey, it was decided to launch immediately a civil disobedience campaign which would result in a stoppage of recruiting, refusal to subscribe to war loans, picketing of foreign cloth and liquor shops, and prevention of exportation of food. Speaking before the Associated Chambers of Commerce of

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India and Ceylon on January 8, the Viceroy, Lord Reading, deplored the resolutions adopted by the National Congress, asserting that he did not believe they conveyed even in a slight degree the real sentiment of India. The resolutions, he declared, would not prevent the Government from continuing its vigilant attitude and from using all its resources to combat and quell the forces of disorder wherever they became manifest.—Aside from the Ghandi movement a number of **disturbances** caused the Government considerable uneasiness during the year. The first of these centered around disputes over the custody and ownership of the Sikh shrines north of Amritsar. The matter was finally adjusted in September by the purchase of the disputed shrine lands by benevolent millionaires who agreed to permit free Sikh entrance. Later another disturbance occurred in Tiptur, province of Mysore, where the Government had granted permission to the Mohammedans to reconstruct a mosque within the Hindu quarter. Government action was required to suppress the rioting which followed; the trouble was general throughout the Punjab. Unrest among the Mahsuds on the northwest frontier resulted in numerous raids which were finally checked by punitive operations.—Mr. C. D. M. Hinley, former agent of the East Indian Railway, was selected by the Viceroy as Chief Commissioner of Railways.—During March the Government suffered defeat in the **Assembly** when the railways budget was reduced £759,926 in order to force the transfer of annuities from revenue to capital account. The Assembly also refused to pass the vote for the expenses of the Royal Commission on Indian Service. After the Council agreed, March 23, to double the salt tax by a 28 to 10 vote, the Assembly rejected the enhanced duty 58 to 47.—Figures supplied by J. Martin, Census Commissioner for India, indicated that the **population** was approximately 319,000,000—a gain of 1.2% over 1911. The average density of population over the whole country was 177 to the square mile, and the maximum provincial density was in Bengal, where it was 608 to the square mile.

OTHER BRITISH DOMINIONS AND POSSESSIONS. — The vigorous campaign in **Australia** to promote immigration, launched last year (*cf.* last RECORD, p. 83), continued. An agreement between the Australian and British governments resulted in migration of approximately 3,000 persons from England annually, and the intention was to increase the number to 100,000 per year. To accommodate these newcomers, West Australia proposed to open up 200,000,000 acres of new country by building 1700 miles of railway. The vast Murray River irrigation undertaking of the South Australian Government has also made available 2,000,000 acres estimated as capable of yielding $500,000,000 worth of fruit annually. — The Commonwealth Government during the year ordered five passenger liners of 13,850 gross tons for service with London via Ceylon and the Suez.—Largely

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as a result of the Washington Conference the new **budget** published on August 18 showed a marked decrease. Consequently taxes were reduced, the income tax by ten per cent, and the exemption increased to £200; the war surcharge tax on land was cut and the entertainment tax abolished on cheaper forms of amusement. The total reduction amounted to £3,000,000, two-thirds of which was saved by cutting the expenditures for national defense. The army was to be reduced from 80,000 to 31,000 men.—As the result of **federal elections** held in December, five members of the Government suffered defeat; final returns in the House of Representatives were as follows: Labour party 29; National party 27; Liberal Country party 19. This was a gain of four seats for Labour, seven for Liberal Country, and a loss of eleven by the Nationalists. The Country party refused to cooperate with the Nationalists under Premier Hughes and, consequently, he resigned on February 3 after having held the premiership for more than seven years. A **new ministry** was formed by Stanley M. Bruce, the Commonwealth Treasurer, as follows. Minister of External Affairs, the Prime Minister; Treasury, Dr. Earle Page; Postmaster General, Mr. Gibson; Defence, Mr. Bowden; Trade, Customs and Health, Mr. Chapin; Attorney General, Mr. L. M. Groom; Works and Railways, Mr. Stewart; Home Affairs and Territories, Mr. G. F. Pearce; Minister without Portfolio, Senator Wilson. Seven of the ministers were without parliamentary experience, six were Nationalists, and five members of the Liberal Country party. A new National Labour party came into existence early in March under the leadership of the former Premier; it embraced the Labour group which formed the Hughes wing of the Nationalist party and the Labour Moderates in and out of Parliament who had been alienated by the extremist element.—The **Queensland state elections** held on May 12 resulted in a sweeping victory for the Labour party headed by E. G. Theodore, the Premier.—Serious difficulty resulted in November when the New Zealand **shipping strike** extended to Australian ports. A labor dispute of long standing was settled on March 23 when the Special Federal Tribunal sitting at Sydney rejected the demand of the coal owners of New South Wales, Victoria, Queensland and Tasmania for a reduction of men's wages by one-third.

In **New Zealand** an award of the Arbitration Court slightly reducing wages resulted in a tie-up of locally manned shipping on November 10. The strike, after considerably inconveniencing inter-colonial trade, terminated on January 23, the workers agreeing to abide by the decision of the court. General elections held on December 7 gave Government supporters 38 seats, the Liberals and Independent Liberals 25, and the Labour party 17. Before the election the Government party numbered 48, the Liberal and Independents 23 and the Labourites 9. The Massey Government, although without an abso-

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lute majority, continued in office. An important by-election held on March 28 to fill the vacant seat for Tauranga was favorable to the Government. The result of the Parliamentary by-election at Oamaru announced on May 1 indicated that E. P. Lee, the Minister of Justice, had been defeated by M. MacPherson, a Liberal. A general referendum on the liquor problem gave 272,443 votes for continuance of the present system of non-prohibition; 34,261 for state purchase and control; and 290,566 for prohibition. The proposal that New Zealand support a minister in London to facilitate consultation on foreign policy, was warmly debated during the year. Sir Francis Bell, Attorney General, vigorously opposed such an appointment on two grounds: (1) that the functions of such an official would overlap and conflict with those of the High Commissioner who was already on the spot; and (2) that since it had been the traditional policy of New Zealand to entrust questions of foreign affairs to the mother country, it would endanger the Empire if the British Government, when facing a foreign Power, were called upon to defer action till the views of the Dominions had been ascertained.

In **South Africa** the Unionists were greatly perturbed over the formation of a working agreement between the Nationalists and Labourites entered into on November 2. The by-elections at Ondtshoorn on March 9 resulted in a victory for the Nationalists by a majority of 527. At the previous election the Unionists had won by a majority of 115. South Africa's management of the mandate over the former German colony of Southwest Africa was severely criticized in the Assembly of the League of Nations on September 8 by Delegate Bellegarde of Haiti, who asserted that native Hottentots were being massacred in large numbers for refusal to pay a heavy dog-tax. Officially it was stated that the natives spent their time hunting and would not work. Following criticism the tax was reduced one-half. A census report showed the total population of South Africa for 1921 to be 6,926,992, composed of 1,522,442 whites and 5,404,550 colored persons. This was an increase of 19% for the whites and 15% for the colored over the population figures for 1911. In November **Southern Rhodesia** decided by referendum in favor of responsible government rather than incorporation in the Union of South Africa. On February 27 the British Government announced that the request for home rule would be granted.

Bitter animosity continued between the Arabs and the Jews in **Palestine.** On January 11 the British Secretary of State for the Colonies informed a Palestine Arab delegation that there was little possibility of the British Government's altering its plans for the establishment of a Jewish National Home in Palestine.—By the terms of a treaty of alliance between England and **Mesopotamia,** signed October 10, the latter was recognized as the "independent" state of

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Iraq with Feisal as its King. Under the treaty, which consisted of eighteen clauses, the King of Iraq agreed to be guided by the advice of the British monarch on "all important matters affecting the international and financial obligations and interests of his Britannic Majesty for the whole period of the treaty" (twenty years). No gazetted official of other than Iraq nationality was to be appointed in Iraq without the concurrence of the British King. (*Cf. supra*, p. 73.) — (For **Egypt**, see VII. Asia and Africa, *infra*.)

VI. CONTINENTAL EUROPE

AUSTRIA.—The Seipel ministry made heroic efforts to rescue the Austrian Republic from financial and economic disaster (*cf.* last RECORD, p. 84). As part of the program of **financial reorganization,** salaries and allowances were reduced, governmental staffs cut, and an endeavor made to have public enterprises pay their way. The original budget for 1923 fixed the President's salary at $9,800, to cover his personal expenses, maintain his chancellery and give official entertainments. This, however, was reduced to $345 despite the fact that the crown appreciated rather than depreciated. Other salaries were reduced accordingly. By March 10 over 30,400 federal officials and employees had been dismissed, and on April 16 it was officially announced that by a process of consolidation the eleven ministries had been reduced to eight. The Foreign Office, Home Office and Ministry of Justice were the departments of the Chancellor's Office. At the same time it was announced that Dr. Schürff succeeded Herr Kraft as Minister of Commerce. Some 20,000 institutions, religious as well as secular, lost the salt doles from the government monopoly. A great number of free doles of wood or other fuel, dating back to ancient times, were cut off. The process of retrenchment, however, was not without its drawbacks. Employees were unwilling to accept lower wages unless they were accompanied by a proportionate decrease in the cost of living. Strikes occurred in the railway, post, telegraph and telephone services. Increased **unemployment** and stagnation in many lines of business also resulted from the financial pruning. Unemployment in Vienna increased from 38,000 in August to over 100,000 in December, and to 150,000 in February. By May 1 unemployment had been reduced to 120,000.—Many of these reforms were enacted as part of a plan for **foreign financial assistance** which took form on September 27, when the League of Nations adopted a scheme enabling Austria to borrow 650,000,000 gold crowns ($135,000,000). Of this, 130,000,000 crowns were needed to cover advances made by various governments. The loan as finally made in June totaled 630,000,000 gold crowns and was guaranteed by Great Britain to the extent of 24½%, France 24½%, Czechoslovakia, 24½%, Italy,

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20½%, Belgium, 2%, Sweden, 2%, Denmark 1%, and Holland 1%. United States bankers subscribed $25,000,000. As security, the Austrian Government guaranteed the gross receipts from customs and the tobacco monopoly. In conformity with the report of the Financial Committee of the League Austria also agreed to undertake certain reforms for restoration of Austrian credit, including reduction of the budget deficit and increasing customs and public utility charges. Control of disbursements and supervision of stipulated reforms were centered in a Commissioner General (Dr. Zimmermann) appointed by the League Council. The Austrian Government promised not to dispose of funds provided by the loan or to engage in activities likely to discount the result of the loan without the authority of the Commissioner. It also abandoned all right to issue paper money, and to negotiate or conclude any loan without the Commissioner's sanction. Provision was also made for a Committee of Control consisting of one representative from each of the guarantor governments, each representative having twenty votes. This Committee was to communicate its wishes only through the Commissioner-General. The guarantor states agreed to respect the political independence, sovereignty and territorial integrity of Austria; she in turn bound herself not to alienate her independence. The plan was adopted by the National Assembly on November 26 by a strictly party vote, the Government securing 114 out of 183 votes. The Social Democrats attacked the scheme as being a purely capitalistic enterprise. The way was cleared for inauguration of the plan when on February 21 the Reparation Commission formally waived for twenty years all rights to Austrian property or revenues under the Treaty of St. Germain. Meanwhile the preliminary loan of £3,500,000 had been authorized by the League Council on February 1, Spain, Belgium and Holland joining with the original guarantor states in making it. The budget for 1923 reduced the deficit from 5,293 billion crowns to 2,350 billion, which would be covered by part of the League loan.—Numerous **anti-semitic disturbances** occurred during the year. Austrian Fascisti advocated expulsion of the Jews. Disapproving of a lecture by Prof. Hirschfield, a Berlin pathologist, delivered in Vienna on February 5, they set fire to the building in which he was speaking and assaulted the audience when it emerged. In March, Vienna street cars, in which Jews were riding, were derailed and the Jews beaten, stabbed and many driven from the city. On April 6 the Allied governments asked Austria to dissolve and disarm the anti-semitic Swastika organization and to expel foreign agitators because of a serious conflict on April 3 in which several Viennese workmen were killed. Despite this request a score or more persons were wounded in a clash between Fascisti and Communists on May 4. (*Cf. supra*, p. 23.)

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BALKAN AND DANUBIAN STATES.—On July 27 the Government of **Albania** was formally recognized by the United States. J. D. Hunger, former governor of Batavia, was appointed Financial Adviser to Albania by the Council of the League of Nations on April 17. In April a Congress of Albanian Mussulmans declared that inasmuch as there had been no Caliph after the Prophet Mohammed, they were, therefore, free to organize their religion as they saw fit. Polygamy was abolished as well as compulsory use of the veil by women; it was also decreed that prayers should be said standing instead of kneeling.

In September information from **Bulgaria** to the effect that the staff officers of Baron General Wrangel's refugee army were plotting to overthrow the Sofia Government, led to disarming of the army and expulsion of the guilty officers from the country. As a result of the trial of the Radoslavoff cabinet, on the charge of conspiracy with the dethroned Czar, Ferdinand, to bring Bulgaria into the Great War on the side of Germany and Austria (*cf.* last RECORD, p. 87), six members, Radoslavoff, Toncheff, Peshef, Dintchef, Popoff and Petkof, were sentenced to life imprisonment, General Naidenof to fifteen years, and five others to terms ranging from five to ten years. On September 23 the government arranged to submit to popular referendum the question as to the guilt of the cabinet members during the Balkan Wars; as the outcome of the referendum, held November 19, twenty-two former ministers were declared guilty, by about 75% of the voters, of embroiling Bulgaria in war without sufficient preparation. In March an act was passed to bring the accused to formal trial. From a political standpoint the trial was in reality a contest between the Agrarians and the Bourgeoisie, the accused being the leaders of the latter group. So intense was the feeling between the two that in September fifteen persons were killed and over two hundred wounded in civil conflict. In October and again in November the Bourgeoisie of Nevrokof, in southwestern Bulgaria, attempted secession but were summarily crushed. On February 4 a bomb was hurled at Premier Stamboulinsky but he escaped injury. After months of wrangling Finance Minister Yaneff reached an agreement with the Reparations Commission on March 14 whereby the sum of 2,250,000,000 gold francs fixed by the Treaty of Neuilly was reduced to 550,000,000 gold francs, settlement to be begun by payment of 5,000,000 francs, followed by annual payments of 1,000,000 for ten years and larger sums thereafter. The arrangement placed all customs revenues at the disposal of the Inter-Allied Reparations Board, and payments were to be extended over a period of sixty years.—As a consequence of a cabinet crisis on February 11, Premier Stamboulinsky reconstructed his cabinet. In addition to his post of Foreign Minister, he himself took over the functions of the Minister of War, while M. Yaneff, Minister of Justice,

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assumed those of Finance. M. Obboff became Minister of Agriculture; M. Bayaloff, Minister of Public Works, took temporary charge of Railways, while M. Omarthyevsky became Minister of Public Instruction, and M. Radoloff of Commerce. The cabinet was again rearranged in March as follows: Stoyanoff, Interior; Mouravieff, War; Obboff, Agriculture; Pavloff, Public Works; Duparinoff, Justice; Yaneff, Finance; and Athanassoff, Railways. The Chamber was dissolved at the same time, general elections being held on April 22. The Premier and the Agrarian party won an overwhelming triumph, obtaining 212 out of 245 seats. The Bourgeoisie secured only 15 seats and the Communists 16. After the election the Premier announced that the constitution would be revised so as to curtail the privileges of the Crown and abolish the right of the monarch to conclude secret treaties without consent of the Government. These plans were cut short when on June 9 the bourgeois elements of the country, with the aid of the army, revolted, overthrew the Stamboulinsky Government and established a new Government under the leadership of Professors Zankoff and Meletieff. In an effort to escape capture ex-Premier Stamboulinsky was shot. King Boris, it was rumored, was in entire sympathy with the revolutionists.—As a "cure" for Communism, the Government during the year proposed that in all localities where the number of Communists exceeded ten, their property should be expropriated and they should be compelled to establish work settlements according to Communist tenets. During the year 1922 Bulgaria's foreign trade showed a deficit greater than in 1920. Italy's sales led the list, Germany was second, and Great Britain third; the United States ranked seventh.

The military disaster suffered by **Greece** in her invasion of Asia Minor (*cf. supra*, p. 11) was closely followed first by the resignation on September 7 of the cabinet headed by M. Protopapadakis and selection of a new ministry headed by M. Triantafilakos, and then by the abdication of King Constantine on September 27. Meanwhile, under the leadership of Colonel Gonatas, a military revolution had broken out in Mytilene. This was increased by a considerable part of the Greek navy, and on September 26 a revolutionary committee, strongly Venizelist in sympathy, was formed at Laurium. Journeying immediately to Athens it took control of the government, the Triantafilakos ministry having already resigned. Constantine's son, Crown Prince George, became King and a ministry was formed as follows: M. Krokidas, Premier and Minister of Interior; M. Canellopoulos, National Economy; General Haralambis, War; Admiral Papachriston, Marine; Professor Vassilion, Justice; Dr. Doxiades, Public Assistance; M. Siotis, Education; M. Diomedes, Finance; M. Calligas, Communications; M. Embiricos, Food Ministry; M. Politis, Foreign Affairs. Following formation of the ministry, a special Revolu-

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tionary Investigating Committee was appointed to fix responsibility for the failure of Greece in the Near East. The report of this Committee, virtually an indictment, published on November 9, placed responsibility on all the Greek anti-Venizelist governments from 1915 to 1922. These governments, the report declared, were responsible for alienating the sympathies of the Allies on various occasions, for bringing back King Constantine in 1920, and for not annexing the Dodecanese and North Epirus. The Committee, therefore, demanded that Gounaris, Stratos, Protopapadakis, Theotokis, Baltagis, Goudas, Stratigos and General Hadjianestis be tried for treason before a special court-martial. As a result of the trials, which created a world-wide sensation, Gounaris, Stratos, Protopapadakis, Theotokis, Baltagis and General Hadjianestis were condemned and shot; the others received life sentences at hard labor. The Court also, by means of fines, wiped out the private fortunes of the convicted. The accused pleaded immunity on the ground that as members of a constitutionally elected National Assembly they could be tried legally only by their peers. The Court summarily excluded the official proof of the encouragement given to M. Gounaris personally by Lord Curzon to the effect that Greece could always rely on the support of Great Britain irrespective of the persons who governed the country. Refusal of the Court to entertain appeals for clemency led to resignation of the cabinet, and on November 25 Colonel Gonatas was himself forced to assume the premiership. The bad impression created at home and abroad by the executions led to an indefinite postponement of general elections which had been scheduled for December, and to the severing of diplomatic relations by several of the Western countries, notably Great Britain. To strengthen their position the Revolutionists on December 12 changed the entire personnel of the Holy Synod of the Greek Church, replacing anti-Venizelist bishops with those known for their loyalty to Venizelos. The teaching staff of the National University at Athens was similarly changed. The Revolutionary Government on January 18 decreed as state property the estates of ex-King Constantine, who died at Palermo, Sicily, on January 11. During the same month the Revolutionary cabinet was further reorganized; M. Papandreon becoming Minister of Interior; M. Missios, Minister of Justice; and General Mavromichalis, Minister of War. Despite a strict censorship, during the last months of the year under review the Revolutionists lost prestige; many who were supporters of the movement were alienated by lax financial methods, mismanagement of the Near-Eastern refugee problem, and failure to follow the advice of Venizelos more closely. The anti-Venizelists were especially bitter because of what they regarded as the high-handed murder of their leaders, the cession of Thrace to Turkey (*cf. supra*, p. 13), and the arbitrary dictatorship of the Revolutionary group.

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In December M. Raditch, leader of the Peasant Republicans of **Jugoslavia** and of the Chamber bloc which desired creation of a Croatian Republic within the monarchy of Jugoslavia, announced that the Croats would remain united with the Serbians. They would do this, he declared, because of an understanding between Premier Mussolini of Italy and the Hungarian Fascisti, by which Croatia proper would be returned to Hungary and Dalmatia would go to Italy. Turkey, he said, with her dreams of establishing her pre-Balkan war boundaries, also menaced Jugoslavia. In the face of all these dangers the Croats were willing to forego their republican principles. Following his speech the fifty elected Croatian members of the Jugoslav Assembly at Belgrade took their seats which they had previously refused to occupy. — General elections held on March 18 for the first Jugoslav parliament, to succeed the Constituent Assembly chosen in 1920, gave the veteran Premier, Pashitch, a very slender majority. Of the 312 seats, the Premier commanded 128. The Opposition consisted of 54 Democrats, 24 Slovenian Catholics, 18 Bosnian Moslems, 11 Serbian Agrarians, and 9 Pan-Germans. The Croatian Party won 68 seats. Dr. Pelesh, a Serbian radical, was elected Speaker of the House. This election led to the reorganization of the Pashitch cabinet, four members having failed of reelection.—The construction was begun of a railroad from Belgrade to the Adriatic which when completed would relieve Jugoslavia, it was believed, from dependence on Fiume as an outlet. (*Cf. supra*, p. 24.)

King Ferdinand and Queen Marie of **Rumania** were crowned with elaborate ceremonies on October 15. The new constitution, which replaced the constitution of 1866 (modified 1884), passed Parliament by a vote of 247 to 22 in the Chamber, and 137 to 2 in the Senate, with 2 abstaining and 53 Senators absent, and was formally sanctioned by King Ferdinand on March 29. The greatest opposition came from the Peasant party and the National Transylvanian party. Strong and arbitrary measures were taken by the Bratiano cabinet to secure a large majority for the adoption of the constitution. On the day of the voting the Parliament was surrounded by troops and 26 Opposition deputies were suspended. All unfavorable manifestations were quickly suppressed. After the adoption of the constitution the Jonescu party and the various minority organizations issued manifestoes denouncing it and the laws enacted under it as illegal and void. In addition to the framework of government, the new constitution provided that the Greek Orthodox faith was the dominant religion of the state, but that such recognition was in no way to be interpreted as prejudicial to any other religion. All religious orders, however, other than Rumanian, were excluded from the country. This affected numerous Roman Catholic orders scattered through Transylvania, which had a Catholic population of over 1,500,000. Schools and hos-

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pitals were treated in the same manner. Right of property was guaranteed although it was no longer inviolable. The subsoil was nationalized and the state also assumed control of the rights in the air and all navigable waters and water-power sites and properties. All Rumanian Jews were given full rights of citizenship; despite this fact, anti-Jewish demonstrations, some of which resulted in bloodshed, were numerous.—In November the Government took steps to refund that part of its national debt incurred during the war.

BALTIC STATES. — In **Finland** general parliamentary elections resulted in a victory for the conservative and bourgeois elements. In the Riksdag or Ednskunta the Agrarians won 45 seats; Progressives, 15; Finnish Coalitionists, 35; Swedish party, 25; Social Democrats, 53; Communists, 27. The temporary cabinet, which tendered its resignation on the meeting of the new Parliament, was requested to remain in office until a new ministry could be formed. This was finally announced on November 15 as follows: Premier, Kallio; Foreign Affairs, Professor Vennola; Justice, Akesson; Interior, Joukahaihen; Defense, General Jalander; Finance, Ryti; Education, Liakka; Agriculture, Sunila; Communications, Pullinen; Commerce and Industry, Westermarck; Social Welfare, Mantere. In October an act was passed limiting the area of private estates to 300 hectares; all excess areas were to be divided into small farms to be sold at reasonable rates to persons without land. On April 17 the Finnish National Federation of Labor voted not to join the Moscow International or to act according to its instructions. — In **Esthonia** the Labor party's representatives in the cabinet withdrew in October, largely because of dissatisfaction with the agrarian policy of the Government. It was also not in accord with the course of the War Department nor with the Government on the question of religious instruction in the intermediate schools.—The hundred deputies elected October 23 for the parliament of **Latvia** were divided among twenty distinct political parties. The Social Democrats won 30 seats, the Farmers' Union 17; Germans 6; Jews 6, and the Russians 3. On November 14 J. Chapste was chosen president of the Latvian Republic by 96 votes out of the 98 members present in the newly elected Assembly. After long delay a coalition Government was formed as follows: Premier and Minister of Transportation, J. Pauluks (Non-Partisan); Foreign Affairs, S. Meierovits (Peasants' League); Interior, P. Bergis (Democrat); Agriculture, E. Bauers (Democrat); Education, P. Gallets (Peasants' League); Defense, J. Duzens (Peasants' League); Justice, W. Holtzmans (Right Socialist); Labor, K. Lorenzs (Social Democrat); Finance, A. Bushevizs (Social Democrat). The Government commanded the support of about three-fourths of the Parliament. Unemployment in Latvia was a serious problem throughout the year. — Elections to the new Diet in **Lithuania,** completed on November 9, gave the Chris-

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tian Democrats 38 seats, the National Socialists 19, Social Democrats 11, Communists 5, Jews 3, and Poles 2. Subsequently the electoral commission, in alleged violation of the law, disallowed twelve of the mandates, thus depriving the national minorities almost entirely of representation. A new monetary unit—the *lit*—whose par value was one-tenth the American dollar was put into circulation.—The governments of Esthonia, Latvia and Lithuania were formally recognized by the United States on July 2. (*Cf. supra*, pp. 23-24.)

BELGIUM. — Problems of **finance** vexed Belgium throughout the year. During the war, Germany had forced about 6,000,000,000 marks on the Belgian people at the rate of one and a quarter francs per mark; this currency was redeemed by the Belgian Government. To indemnify itself, the Government during the year sequestered all German property in Belgium, the total amount of which was worth between 500,000,000 and 800,000,000 francs. By strict economy in governmental expenditures considerable progress was made toward balancing the budget. Ordinary governmental receipts were estimated at about 2,300,000,000 francs, or more than enough to cover normal expenses. Of this amount 1,400,000,000 francs went to governmental administration; 350,000,000 to the provinces and communes; 150,000,000 to pre-war debt, and 400,000,000 to post-war debt. Failure of Germany to make reparation payments compelled the Belgian Government to levy additional taxes, which were estimated to bring in an additional 300,000,000 francs. Taxes were about five times the pre-war rate.—**Belgian industries** enjoyed a prosperous year. The state railways destroyed by the Germans had been completely restored and were expected henceforth to net the Government a credit balance. The steel, textile and glass industries were 75% of normal as compared with 1913. The linen industry alone showed a production of 136% as compared with pre-war output. Unemployment had practically disappeared, the 210,000 unemployed in March, 1921, having dwindled to 27,000 in November, 1922.—**Ministerial changes** during the earlier part of the year were neither numerous nor significant: M. Leclenc succeeded M. Hubert as Minister of Science and Arts, and he in turn was succeeded by Dr. Wolf, distinguished scientist and professor at the University of Liège.—In June, however, a **political crisis** arose from the conflict over the proposition to substitute the Flemish language for French in the University of Ghent. A bill to this effect passed the Deputies by a close vote of 89 to 85, but it was defeated in the Senate. This coupled with a decree issued by the Minister of Defense increasing the term of military service from ten to fourteen months, led to dissension in the ranks of both the cabinet and Parliament, and on June 14 the Theunis ministry resigned. — In July the League of Nations formally confirmed the Belgian **mandate over Ruanda and Urundi,** the two extreme northwest provinces of

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what was formerly German East Africa. They covered about 15,000 square miles of rich agricultural territory 5,000 feet above sea-level. The white population of **Belgian Congo** was given as 9,597 of whom 57% were Belgians. The official capital was transferred from Boma, near the mouth of the Congo, to Leopoldville, above the cataracts. M. Rutten was named as governor general to succeed M. Lippens, resigned.

CZECHOSLOVAKIA. — Completed surveys indicated that about 10,000,000 acres or approximately one-third of the total area of Czechoslovakia fell within the provisions of the **Land Reform Act,** under which the state was to take over 17% of all fallow land, 14% of meadow land, 12% of gardens, 12% of vineyards, 17% of pastures, 50% of lakes and 50% of forest lands. On September 7 it was announced that a committee of Czech noblemen had been formed to contest the expropriation of their estates on the ground that the compensation allowed was farcical.—The result of the first **census** of the republic, published in October, showed that in February, 1921, the new state had a population of 13,366,080 distributed as follows: Czechoslovaks, 8,759,186 (65.53%); Russians, 459,346 (3.44%); Germans, 3,122,390 (23.36%); Magyars, 745,935 (5.58%); Poles, 75,656 (.57%); Jews, 180,332 (1.35%); miscellaneous, 23,235 (.17%).—An important **cabinet change** occurred on October 3 when Dr. Edward Benès, one of the foremost diplomats of Europe and organizer of the Little Entente, retired from the premiership of the Prague Government. In the subsequent reorganization of the Government, Anthony Svehla, agrarian leader and organizer of the agricultural unions in the sugar-beet industry, became Premier. Dr. Benès retained the portfolio of Foreign Affairs and Dr. Rasin (National Democrat) became Minister of Finance; M. Stibriny (National Socialist), Railways; M. Bechine (Social Democrat), Social Welfare; M. Sramek (People's party), Posts and Telegraphs; Dr. Hodza (Agrarian), Agriculture; M. Wdrzal (Non-Partisan), Defense; M. Malypier (Agrarian), Interior; M. Novak (National Democrat), Commerce; Dr. Dolansky (People's party), Justice; Dr. Franke (National Socialist), Food Supply; M. Heberman (Social Democrat), Public Welfare; M. Srba (Social Democrat), Public Works; M. Markowic (Social Democrat), Unification; Dr. Kallay (Non-Partisan), Plenipotentiary for Slovakia. On January 5 Dr. Rasin, the Finance minister, was shot and seriously wounded by a Prague bank employee; his death on February 15 removed one of the ablest financiers of Central Europe. M. Bechka, president of the Zivnostenska Bank, one of the largest financial concerns in Czechoslovakia, succeeded to the Finance department. — **Financial conditions** improved steadily. In January the circulation of paper currency was reduced half a million crowns. An 8% twenty-five year loan for $50,000,000 was floated in New York and London. Decreases of 25% to 50%

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were made in the customs duties; Czechoslovakia thus being the first European state to reduce its tariff since the Great War. The Czechoslovak mission sent to the United States to fix the amount of its indebtedness reported that America's advances in cash amounted to $68,825,368.54, and that other credits in the form of clothing and army supplies from European depots increased this amount by $20,621,944.54.—President Masaryk on December 30 informed a Slovak delegation that it was impossible to grant **Slovakia** national autonomy outside the republic. The Slovaks, he declared, would enjoy every privilege of self-government in local affairs. — In April the Czechoslovak border was closed to all Hungarians as a result of Magyar attacks on frontier guards. (*Cf. supra*, p. 24.)

FRANCE. — In spite of bitter attacks, both in and out of Parliament, the Poincaré Government survived largely because of its apparent determination to force Germany to respect the provisions of the Treaty of Versailles and particularly those dealing with reparations (*cf. supra*, Reparations, p. 2). Failure to collect immediately the vast sums spent on reconstruction and charged to Germany, coupled with the moratorium granted to Germany by the Reparations Commission on August 31 (*cf. supra*, p. 5), greatly impaired **French finances.** "The fact that Germany has not yet paid France one cent for reconstruction," said M.Lesteyrie, Minister of Finance, in a speech before the French Chamber of Commerce on October 5, "is the sole cause of our budget difficulties today." The budget proposals for 1923, made public October 21, estimated expenditures at 23,180,000,000 francs, and revenue at 19,285,000,000 francs, leaving a deficit of 3,895,000,000 francs on the ordinary budget. This deficit the Finance Minister proposed should be met by combination of the following: (1) increased taxes; (2) payment of sums due by railways; (3) more careful collection of income tax; (4) proceeds of a surtax of one-tenth on certain duties; (5) redemption of *rentes* by payment of a war profits tax on that security. After prolonged discussion and presentation of numerous proposals for balancing the budget, the Chamber by a vote of 315 to 245 adopted the plan of issuing treasury bonds, thus avoiding, with an eye on next year's elections, the imposition of further taxation. The extraordinary budget of expenses classified as "recoverable from Germany", totaled 10,500,000,000 francs. In the course of the debates the Finance Minister pointed out that the Government was economizing in every possible manner. Civil expenses for 1922, he said, were 7,025,000,000 francs as compared with 11,377,000,000 in 1920. Over 36,900 civil servants had been dismissed in the period of nine months and this number would soon be increased to 50,000. On June 15 it was announced that the ordinary budget had been redrafted so as to turn the deficit into an excess of 896,000,000 francs. At the same time it was stated that 5,000,000,000

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francs would be devoted to **military expenditures.** Poland and Jugoslavia each received loans of 400,000,000 francs from France for military purposes. The ordinary budget carried an appropriation of approximately 4,600,000,000 francs for military expenditures and 1,043,000,000 for naval purposes. In this connection it may be noted that a French statement to the League of Nations on September 10 placed the strength of the French army at 690,000. The spirit of revenge in Germany, the statement declared, made further reduction absolutely impossible. On March 29 when a bill passed the Chamber reducing the term of military service from two years to eighteen months, it was announced that the army had been reduced twenty-five per cent and the navy fifty per cent as compared with pre-war strength. France had not yet ratified the Washington Naval Treaty and her naval program for the year included the building of 175,000 tons of battleships, the remodeling of six dreadnoughts, as well as authorization for construction of 6 light cruisers, 15 torpedo-boat destroyers, 24 torpedo boats, 4 submarine cruisers, 30 first-class submarines, 2 mine-layers, and 4 fuel-carriers.

Splendid progress was made in the **reconstruction of devastated regions.** Roads, railways and canals were virtually completed. More than half of the soil had been fairly well cleared of shells, barbed wire and other hindrances; factories and industrial plants were being rapidly rebuilt. On the other hand, over 500,000 houses were as yet not constructed.—Much anxiety was manifested in Government circles over the **birth rate and the cost of living.** In comparison with the corresponding period of the previous year, the first half of 1922 showed a decline in births of 25,000, an increase of deaths of 40,000, and a decline in marriages of 45,000. The birth rate for the ten largest cities showed a decline of ten per cent. The comparative figures were 48,528 as against 53,551. According to a report of the French Statistical Bureau, the cost of food, clothing and fuel during 1922 averaged 4.18 times the prices of 1913. In February the increase over the average of 1913 was 447%. Textiles had advanced 600% and food over 400%. — In December 35,952,959,060 paper francs were in circulation, of which 78% were wholly unsecured. — Reports of the Public Registry Offices for Employment indicated that during 1922 permanent situations were found for 646,991 (430,754 men; 216,237 women), and that temporary work was found for 630,955 (574,969 men; 55,986 women). The year 1922, the Ministry of Labor declared, marked the **end of the unemployment crisis.**—A seamen's strike, the first of two serious **labor disturbances,** followed the Government's decree of September 5 revoking the eight-hour day for seamen. Traffic with Mediterranean ports was greatly impeded and thousands of tons of perishable goods were lost. During October the Government by means of strike-breakers and naval crews succeeded in en-

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abling a number of boats to clear, the strike thus finally being broken. The strike of coal miners which began early in February, and which was ordered by the National Council of the Communist Federation of Miners, proved for a time to be very serious. Some 360,000 miners in the Saar basin demanded an increase of seven francs per day. Those in the Moselle district made similar demands. The strike order was respected, however, according to figures published by the Minister of Labor, by only 2,000 out of 50,000 in the Pas de Calais, 25% in the Nord, 25% in the Gard, 75% in the Loire, 10% in Aveyron. At Carmaux the men remained at work. The strikes were settled on February 21 by granting a slight wage increase. The Communist Federation asserted that the miners would have been completely successful if they had not been betrayed by the old Reformist Federation.

Of all of Poincaré's critics, none were more active than the **Communists,** and none were more cordially hated by the Government. The French Communist Congress on October 19 decided by 1698 votes to 1516 to affiliate with the Moscow International. At the same time the Communist section of the Federation of Labor appointed a committee to supervise selection of workingmen's committees in all industrial establishments to take the place of the employers in the eventuality of a revolution. André Marty, one of the leaders of the French naval mutiny during the Great War, was elected for the third time to the Paris Municipal Council as a Communist. On January 10 the Communist headquarters in Paris were raided by the authorities and five leaders, Monmousson, Masanne, Pietri, Sourdot and Treint, were arrested on the charge of attempted treasonable practices. A week later the Chamber by a vote of 371 to 143 suspended the parliamentary immunity of M. Cachin, the Communist Deputy, and he was at once arrested on the charge of having participated in a Communist demonstration at Essen. The attempted assassination on January 22 of M. Daudet, the noted Royalist, was attributed by the Government to the Communists. In May Daudet narrowly escaped violence in the Chamber at the hands of the Radicals who charged him with seeking to undermine the Republic. The Poincaré Government was shaken when on May 24 the Senate sitting as a High Court of Justice declared its incompetence to try M. Cachin and his fellow-Communists who were charged with treason. The Premier immediately tendered his resignation, declaring that the decision was a reflection on his whole foreign policy. President Millerand finally persuaded him not to regard it as such and to remain in office.—The **Royalists** were remarkably aggressive, although few in numbers. During the first week in June Royalist rowdies armed with ink, turpentine and castor oil attacked three opposition deputies and a woman on the streets of Paris. The Government denounced the outrage, and the Minister of Interior stated that he had evidence of

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a widespread Royalist plot against the state. On June 16 the Chamber, after giving the Ministry a vote of confidence, 375 to 206, on its domestic policy, adopted a motion condemning compromise with revolutionaries or Royalists, by a vote of 500 to 18. The Deputies also expressed confidence that the Government would respect the legislation affecting the Church and religious orders. This vote was 545 to 11. In this connection M. Poincaré revealed that the Government was ready to accept the Vatican's project, to permit the return of religious associations but make them subject to existing French laws. Great interest has been aroused during the period under review by the movement to revive the States General by organizing a new representative body of industrial, commercial, agricultural, professional and labor associations. The movement was definitely launched by the Royalist political organization known as the Action Française, and on April 9 appeared the first number of a monthly magazine entitled *Cahiers des Etats Généraux*. The program of the National Committee, signed by ten prominent industrialists and publicists, severely criticized the existing political and constitutional system of France. Neither the Government nor Parliament, it declared, had shown itself able to solve the grave economic problems—reparations, finance and reconstruction—which confronted the country. As a remedy it proposed a second Parliament, a sort of guild house, to be chosen on the basis of social and occupational groups.—Few **political changes** occurred during the year. The appointment of M. Barthou, Minister of Justice, as French representative on the Reparation Commission was officially announced on October 5. He was succeeded in the cabinet by M. Coirat, Under Secretary of Foreign Affairs and a close personal friend of the Premier. On October 15 M. Leon Bourgeois, following his reelection as President of the Senate, resigned in order to devote his time to the League of Nations. Former Premier Gaston Doumergue was elected to succeed him.—The Senate on November 21 rejected the bill for **woman suffrage** by a majority of 156 to 134.—During November former Premier **Clemenceau** visited the United States where he appealed for renewed American cooperation in Europe. At the same time he attempted to win greater support in America for the foreign policy being pursued by his country. M. Théophile **Delcassé,** eminent French statesman, famous as the founder of the Entente Cordiale and historically known as the "Nemesis of Bismarck", died on February 21. Charles de **Freycinet,** former Premier, academician, an outstanding figure of the Third Republic, died in Paris on May 14.—Five regional councils were erected in **Tunis** to afford the indigenous population a greater share in the government of the Regency.—**French Equatorial Africa** was authorized to issue a loan of 45,000,000 francs to construct a railroad from Brazzaville on the Congo to the Atlantic coast.—In **Morocco** the military campaign

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to suppress native opposition continued. — Unrest prevailed in **Syria**. On April 20 General Weygand was named to succeed General Gouraud as Governor of the Mandate.

GERMANY.—Uncertainty of the future coupled with labor difficulties, shortage of raw materials, and enormous depreciation of the mark, affected both business and politics in Germany. Yet **industry** was by no means prostrate. The textile industry, for instance, enjoyed a most prosperous year, as also did agriculture. The merchant fleet developed rapidly, 742,100 tons being built in 1922 as compared with 45,090 tons in 1921. Industrial concerns and merchants also made steady progress in recovering their pre-war markets in every quarter of the globe.—The **birth rate** showed a gain over last year but **emigration** was somewhat greater, the total for 1922 being 36,527 as compared with 24,135 in 1921. Fifty per cent of these emigrants were between the ages of 17 and 30. By far the greater number were drawn from the industries other than mining and agriculture. North America was the destination of 67.3%; the others for the most part went either to the Argentine or Brazil. — **Labor unrest**, so prevalent last year (*cf.* last RECORD, pp. 102-103), was somewhat less troublesome during the period under reveiw. A serious strike in the Baden aniline works, from November 28 to December 18, was caused by dismissal of three members of the Workmen's Factory Council. Food riots occurred in Berlin on January 3 when fourteen municipal market halls were almost completely closed as a result of the wholesale and retail dealers' strike caused by increased rents of the stalls and booths.

Financial conditions were in a state of chaos. The mark depreciated rapidly during the year. In February a pound sterling would buy 230,000 marks. Inflation proceeded apace; on May 1 the mark circulation was somewhat over 6,546 billions. At the same time it was announced that the Reichsbank's note-printing capacity had been raised to 350 billion marks per day. The annual report of the Reichsbank for 1922 showed net earnings of 43,500 million marks as against 565 million for 1921. With the fall of the mark commodity prices moved sharply upward. During May and June price quotations were being made more and more generally in stable foreign exchange. The fall of the mark rendered budget-making almost futile. On December 24 it was estimated that if no further collapse of the mark ensued there would be a deficit of 1,000 billions in public revenue because of the violent rise in prices and salaries. By the end of March, however, political and financial circles were stunned by the announcement that the budget deficit was 7,100 billion paper marks. The Finance Ministry attributed this deficiency largely to the Ruhr difficulties. The acuteness of the financial situation was indicated by the fact that the effort of the government to raise an internal loan of 200 million gold marks was only partially successful.

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Against the existing form of government a vigorous **monarchist agitation** was conducted by determined minorities. In September a Royalist party was inaugurated in Bavaria which openly declared the Wirth government to be "the worst government Germany ever had". The Bavarian government was likewise denounced, various Royalist leaders asserting that the royal house of Wittlesbach must be restored to power, In devious ways they encouraged organized resistance to enforcement of the Versailles Treaty, so much so that the Allied Council of Ambassadors demanded apologies and threatened drastic action. Early in November the same party forced the resignation of Count Lerchenfeld, the Bavarian Premier. He was succeeded by Dr. von Knilling, Bavarian Minister of Education under the monarchy, who advocated "a strong Bavaria in a strong Reich". In March Adolph Hittler and a number of his reactionary followers were arrested under the charge of aiming to overthrow the Bavarian government. Efforts of the reactionaries were not confined to Bavaria. July 3 an attempt was made on the life of Maximilian Harden, editor of **Die Zukunft,** who had incurred enmity of the Royalists. Ludendorff, von Hindenburg and von Tirpitz were also active in keeping alive the monarchist spirit.—The **Communists** were also reported to be awaiting a favorable opportunity for an attempted *coup d'état.* The disturbed condition of the country was responsible for adoption by the Reichstag on October 24 of a **constitutional amendment** declaring the Provisional President, elected by the National Assembly at Weimar in 1919, to be the first legal President of the German Republic until June 30, 1925. The vote was 310 to 77. Pension allowances for the retiring presidents were also provided for. The **reunion of the Majority Socialists and the Independent Socialists** on September 21 put an end to six years of embittered political warfare, dating from the split in 1917 over the question of war loans. Former Chancellor Muller, Herr Crispien and Herr Weis were elected chairmen of the reunited party, and Carl Kautsky was named chairman of the committee to draft the new party program. The program as announced included: protection of the Republic, struggle against class privilege, reform of financial and economic policies, improvement of popular hygiene and education, better international understanding, reduction of costs of living, and war on Communism.

A political crisis leading to the fall of the **Wirth Cabinet** was precipitated on November 13 when the German People's Party, dominated by Stinnes and Stresemann, served a peremptory demand on the Chancellor for participation in the Government on full terms of equality with the Coalition parties (*cf.* last RECORD, pp. 101-102). The demand was supported by the two non-Socialist parties of the Coalition, viz., the Centrists and Democrats, who were determined to force the Unified Socialist Party to modify its economic and social pro-

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gram. Rather than associate with "capitalists and reactionaries", the Wirth Government resigned on November 14. Wilhelm Cuno, Director-General of the Hamburg-American Line, was commissioned to form a new cabinet. His efforts were at first blocked by the United Socialists and the middle parties; finally President Ebert informed the party leaders that Herr Cuno had been instructed to form a non-partisan cabinet independent of party lines. The Socialists, however, convinced that Herr Cuno would be dominated by Stinnes in his ministerial selections, decided to have no part in the Government. The **new cabinet** was announced as follows: Herr Cuno, Chancellor; Dr. Carl Heinze, Vice-Chancellor and Minister of Justice; Baron von Rosenberg, Foreign Affairs; Rudolph Oeser, Interior; Andreas Hermes, Finance; Johannes Becker, Economics; Dr. Heinrich Albert, Treasury; General Groener, Transportation; Herr Stingl, Posts and Telegraphs; Herr Mueller, Food; Dr. Gessler, Defense; Dr. Heinrich Braun, Labor. Only seven active parliamentarians were included in the new ministry, and these were drawn from the Center and the parties of the Right. Chancellor Cuno stated that his policy would be "the best possible performance of treaty obligations from the surplus after urgent German requirements are covered". Referring to the Rhine he paid tribute to the German population and declared that the Government would never surrender the occupied territory. Unprecedented violence marked the sessions of the Reichstag during April and May when the bourgeois parties attempted to force through a bill affecting meetings and assemblages. At the same time a pitched battle, in which fists and blackjacks were the weapons, took place in the Prussian Diet where Socialists and Communists clashed over the Socialist Minister of Interior.

French occupation of the Ruhr (*cf. supra*, p. 8) occasioned bitter resentment all over Germany. On January 12 workers of all kinds ceased work for one hour in protest against French invasion. Church and press frankly denounced the French. "Poincaré," said the *Berliner Tageblatt*, "has inherited the sobriquet 'Mad Dog of Europe', which he once bestowed on Germany." The *Kreuzzeitung* asserted that the French Premier was so thoroughly steeped in "French hate and French lust for imperialism" that retreat for him was no longer possible in any direction. The tone of other newspapers was in accord.

During the year the two main branches of **social insurance,** invalidity and old-age insurance for manual workers and the non-manual workers' insurance system, were remodelled to correspond to changed conditions. By a law enacted on July 9 every child had a right to be brought up in such a way as to insure bodily, mental and social efficiency. The law provided for public guardians, child welfare homes, juvenile police courts, and care of neglected and ill-treated children. Justice was done to illegitimate children by making

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their fathers liable for their support and by establishing the right to inherit part of the estate left by a father at death.—A wave of **anti-Semitism** swept parts of the country, particularly Bavaria.—**Ex-Kaiser Wilhelm** was married to Princess Herminie von Schoenaich-Carolath on November 5. (*Cf. supra*, International Relations, pp. 2-11, 20.)

HUNGARY.—The result of the general **elections** for the Hungarian National Assembly held from May 28 to June 1, 1922 (*cf.* last RECORD, p. 105), was announced on July 9. The Bethlen-Horthy bloc won 166 seats, while the Legitimists under Count Apponyi and Count Andrassy secured only 76. In Budapest the Socialists polled 39% of all the votes cast. On the basis of the election a **new cabinet** was formed with Count Bethlen as Premier; M. Banffy, Foreign Affairs; M. Rakovsky, Interior; M. Kallay, Finance; M. Valko, Commerce; Count Klebelsberg, Education; M. Daruvary, Justice; M. Szabo-Nagyatadm, Agriculture; M. Belitska, Defense; M. Vass, Public Welfare; M. Terffy, Food Supply.—**Economic and financial conditions** were chaotic throughout the year; the crown depreciated, living costs rose, all classes of employees agitated for higher wages, and strikes and lock-outs were frequent. To economize, the Government dismissed one-fifth of the state employees and, on the same ground, requested the Allies to abolish the Commission of Military Control; the request was not granted. On May 4 the Premier asked the Reparation Commission to accord Hungary the same treatment as Austria by allowing her to raise a foreign loan to stabilize exchange, cover the cost of imports necessary to the economic life of the country and enable Hungary to make a fresh start. The British favored the plea but the French and Italians opposed it on the objection of the Little Entente. During the year Count **Karolyi**, Hungary's wealthiest landowner under the old régime, was accused of high treason in that he had undermined the army's morale, made peace with General d'Esperay, and paved the way for Hungary's enormous loss of territory and the dictatorship of Bela Kun. On February 21 all his property in Hungary was ordered confiscated by a decision of the Criminal Court at Budapest. It was openly known that the Budapest Government feared Karolyi and desired to ruin him. Similar steps were being taken to discredit Baron Ludwig Hatvannyi who helped Karolyi negotiate the armistice in 1918.—Criticism of the Government was sternly repressed. A prison sentence of eighteen months and a fine of thirty thousand crowns were meted out to Dr. Beer, Vice-President of the Republican Party, on March 7, on the charge of carrying on republican propaganda. On December 31 a list of 105 journals barred from circulation in Hungary was published. The writings of Walt Whitman were prohibited as were also those of Karl Marx, Lenin and others. Moving pictures of the ex-monarchs Charles and Zita were likewise forbidden. — On October 3 the Royalists, headed by Count

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Apponyi and Count Zichy, formally announced Prince Otto, eldest son of the late King Charles, as King of Hungary. They requested that a declaration to this effect be made to the National Assembly and to Admiral Horthy, the Regent. Premier Bethlen refused to accede to their demand on the ground that the National Assembly had already annulled the claims of the House of Hapsburg to the throne. — Anti-Jewish riots continued throughout the year. The principal leaders of the **anti-Semitic movement** were the Hungarian Fascisti, organized on the Italian model. In October the Minister of Interior decreed that all foreigners living in Hungary should report to the police and state their occupations. While it was officially declared that this was not an anti-Semitic measure, it was generally regarded as a means of expelling the Galician Jews.—In September Hungary was admitted to the League of Nations.—Hugo Stinnes purchased the Liptak Iron Works in Hungary. (*Cf. supra*, p. 23).

IBERIAN STATES. — On November 14 **Spain** formally abolished the juntas or army officers' committees which in the past had been such a disturbing element in Spanish political life. Army officers were forbidden to join any association of a military character outside their service or to give their word of honor in any matter directly or indirectly in contravention of existing laws and regulations. Army promotions in the future were to be made on the basis of merit rather than seniority.—During the year the Spanish failed to regain their lost military prestige in Morocco. General Berenguer, the Spanish High Commissioner, resigned, publicly charging that Spain's disastrous defeats were due to the Government's failure to supply adequate munitions. General Burguete, Military Governor of Madrid, who displaced him, proved a disappointment, and on January 19 the King signed a decree abolishing the office of commander-in-chief in Morocco, and appointed Señor Siloela, Minister of the Navy, as Civil Commissioner of the territory. In April it was announced that Raisuli, one of the principal Moorish leaders, had been recognized as ruler of the northwestern part of Spanish Morocco. Charges that King Alfonso himself was responsible for the military disaster in Morocco led to the arrest of Indalecio Prieto, a prominent Socialist member of Parliament. The insistent demands of the Liberals that the members of the Salazar ministry be impeached on the theory that they were responsible for the Spanish setback in Morocco, led early in December to the resignation of the cabinet headed by Señor Guerra, Conservative (*cf.* last RECORD, p. 106). Marquis d'Alhucémas thereupon became Premier and selected a ministry as follows: President of the Council, Sr. Barroso; Minister of Justice, Sr. Aspeitia; Finance, Sr. Pedregal; Interior, Sr. Gullon; Public Instruction, Sr. Angita; Labor, Sr. Castro; Posts, Sr. Crespa; Arts, Sr. Cobian. Anti-clerical measures, proposed by the Minister of Finance, aroused the

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bitter opposition of the Church and led finally to the resignation of the Government. After consultation with the King, Premier d'Alhucémas decided to continue in office, Sr. Pedregal being succeeded by Sr. Villanueva. On April 6 a decree was issued dissolving the Cortez and ordering new elections. The electoral program of the Government included revision of the clauses of the constitution relating to suspension of constitutional guarantees (liberty of the press, right to hold meetings, etc.), proportional representation, social and labor reform, irrigation and drainage, reform of the antiquated land-tenure system, public health, reorganization of public finances and of the army and navy. The results of the balloting showed that in the Chamber of Deputies the Ministerialists would have 218 seats, 87 of these being controlled by Marquis d'Alhucémas, 48 by Count Romanones, 45 by Señor Alba, and 17 by Señor Alvarez, making a total of 114 Conservatives; Catalonists, 22; Republicans, 10; Socialists, 7; Traditionalists, 9; Independents, 9; Nationalists, 3. In the Senate the Ministerialists secured 105 seats, the Conservatives 46, and other parties, 29.

In **Portugal** cabinet crises continued to be the order of the day. Criticisms of certain executive departments led to the resignation of Premier Silva's government on November 4, but the Premier was persuaded to continue in office and reconstructed his cabinet as follows: Finance, Sr. Guimaraes; Foreign Affairs, Sr. Pereira; Justice, Sr. Menezes; War, General Da Rocha; Education, Sr. Coimbra; Marine, Sr. Coutinho; Colonies, Sr. Gaspard; Commerce, Sr. Borges. A few months later the matter of religious instruction in the Portuguese schools forced another reconstruction of the ministry, Sr. Costa becoming Minister of Agriculture; Sr. Camoezas, Education; Dr. Saraiva, Labor; Sr. Rodriques, Colonies; and Sr. Guedes, Commerce. Another reorganization occurred late in March when difficulties arose over the colony of Mozambique.—The budget as introduced by the Minister of Finance on January 16 estimated expenditures at 813,415 contos (approximately $38,680,000) with a deficit of 139,339 contos. In December a 10% luxury tax was decreed and a 1% ad valorem tax on all merchandise imported for consumption. The advocates of monarchy were active throughout the year. Prince Miguel de Braganza, eldest son of the pretender to the throne, died in New York City on February 21.

ITALY. — During the year Italy passed through what virtually amounted to a bloodless revolution marked by the triumph of the Fascisti headed by Benito Mussolini. So active were the Fascisti in the summer of 1922 (*cf.* last RECORD, p. 109) that the **Facta Government** seemed powerless to handle the situation, and on July 20 the Chamber voted lack of confidence, 288 to 392. The cabinet at once resigned and for the next ten days various political leaders attempted to form

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a new Government which would meet with approval of the parties. Finally Signor Facta again formed a ministry made up of Democrats, Catholics, Social Democrats and one Reformist. Senator Taddei assumed the portfolio of Interior; Senator Schanzer, Foreign Affairs; Signor Alesio, Justice; Signor Soleri, War; Senator Rossi, Industry and Commerce; Signor Bertonne, Finance; Signor Partore, Treasury; Signor Amendola, Colonies; Signor Luciani, Liberated Territory; Signor Riccio, Public Works; Signor Anile, Education; Signor Bertini, Agriculture; Signor De Vito, Navy; Signor Di Cesaro, Posts and Telegraphs; Signor Sbabra, Labor and Welfare. The new Government appeared to be weaker than its predecessor, proving absolutely powerless to repress or even check **the Fascisti,** who seized the towns of Viterbo, Cremona and Alatri. On August 1 a general strike was proclaimed as a protest against the Fascist activities, but to no avail. Whole provinces were placed under martial law; Milan, Ancona, Genoa and other cities were terrorized; the municipal building in Milan was seized and Socialist officials turned out. From the balcony of the building the poet d'Annunzio urged the Fascisti "to strike toward goodness — not inert, weak, indulgent goodness, but virile goodness which conquers national frontiers, which grimly faces the hardest destiny and which overcomes all evils". On August 7 instructions to suppress civil war were issued to the military authorities by the Minister of Interior, but the next day Mussolini issued a manifesto praising his followers for the part they had played in stemming the "red tide of revolution". The Fascisti, he declared, had protected the workers' legitimate interests, abolished the general strike forever, and had everywhere defeated the subversive elements. The regeneration of Italy was at hand and all Fascisti were, therefore, urged to prepare "for the greater battle which will crown our work". Satisfied with having crushed radicalism in the industrial centers, the organization turned its attention during September and early October to Italianizing the newly acquired provinces in the Trentino. Trent and Bolzano were both occupied. Officials of German extraction were forced to resign, German schools seized, and the local police dissolved. Speaking in Milan on October 5 Mussolini boldly declared that "in Italy there exist two governments—a fictitious one, run by Facta, and a real one run by the Fascisti. The first of these must give way to the second." Mussolini did not exaggerate, for he was already master of the situation with a well-equipped army of 450,000 at his back and a reserve of over 3,500,000. He closed the Fascist Congress at Naples on October 25 with the statement that either the government of the country must be given peacefully to the Fascisti or else they would take it by force. On the following day the Facta ministry resigned. There was nothing left for the King to do but invite Mussolini to head a new **Government.**

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The Fascist leader selected seven Fascisti, five Nationalists, one Democrat and one Catholic. He himself took the portfolio of Interior and Foreign Affairs; General Diaz became Minister of War; Admiral Di Revel, Marine; Signor Tangorra (Nationalist), Treasury; Signor Rossi (Nationalist), Industry; Signor de Stefani (Fascisti), Finance; Signor Federzoni (Nationalist), Colonies; Signor Giuriati (Fascisti), Liberated Regions; Signor Oviglio (Fascisti), Justice; Signor Gentilo (Democrat), Education; Signor Capitanio (Fascisti), Agriculture; Signor Carnazza (Nationalist), Public Works; Signor Di Cesara (Nationalist), Posts and Telegraphs; Signor Cavazzoni (Catholic), Social Welfare. In appearing before the Chamber on November 16 to outline his program, the Premier menacingly asked for a free hand; he appeared before the Chamber, he said, as an act of formal deference. He said: "I might have made of this Chamber, so dull and gray, a bivouac for companies of Fascisti. I might have put a padlock on Parliament, or have made a Government solely of Fascisti." In outlining his internal policy he emphasized economy, work, discipline; every effort would be made to balance the budget and to this end tariffs would be reduced, subsidies abolished, grants for public works minimized, the railroad deficit decreased, and the administration overhauled. In foreign policy he declared that all treaties must be respected, but added that Italy could not afford to be too altruistic unless other countries reciprocated. Referring to the Entente, he said that unless it became a "homogeneous, well-balanced bloc, with equal rights and equal duties, Italy will resume her liberty of action". On November 17 confidence was expressed by a vote of 306 to 116; three days later a law was approved by a vote of 225 to 90 giving the new Government full powers to adopt any bureaucratic or financial reforms desired, up to December 31, 1923. To accomplish his ends in a parliamentary way Mussolini realized that he must control a majority in the Chamber. He, therefore, on March 17 directed that a new election law be prepared so as to give to the party receiving the largest number of votes an absolute majority of the seats in the Lower House. Judicial unity was secured for the first time when on March 24 the cabinet decided to abolish the four Courts of Cassation, four Courts of Appeals, 57 Courts of First Instance, and 550 petty courts. In place of the higher courts there was to be only one Court of Cassation. In April Signor Cavazzoni, the Catholic member of the cabinet, with three Catholic under-secretaries, resigned office following refusal of the Catholic party to support the Fascisti on all occasions.

The **reconquest of Tripoli** was launched early in January. In May it was officially reported that all the coast towns had been taken and that notable successes had been achieved in the interior.—The weakened **Socialist Congress** which convened at Rome October 2, split

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into three groups, the Right, the Left and the Center, over the question of participation in the Government. The Mussolini Government attempted to stamp out all Communist agitation. On January 25 the General Workers' Union of Turin was dissolved by Government decree on charges of radical activities and interference in politics. On February 6 over one hundred persons, accused of being leaders, were arrested. Less than a month later the Premier caused the arrest of Menotte Serrati, editor of the radical Socialist paper, *Avanti*.

The **Washington treaties** for armament limitation were ratified in February. On March 16 the King signed the two decrees of the **Washington Labor Convention** of 1919 covering unemployment, the eight-hour day, night work for women, and employment of youths in industry. Prince Gelasio Caetani, graduate of the School of Mines, Columbia University, and an engineer of distinction, was named Ambassador to the United States. The marriage of Princess Yolanda, eldest daughter of the King and Queen, to Count Calvi di Bergolo took place on April 9. — Baron **Sonnino**, twice Premier and Foreign Minister during the war, died on November 23.

NETHERLANDS. — Election returns for the Second Chamber of the Estates General, announced July 7, indicated a great increase for the parties of the Right. Seven women were elected. The Communist representation of three was cut to two. Elections for the Provincial Estates, held in April, also went strongly in favor of the Conservative parties. The women's vote and proportional representation, together with financial depression, contributed to the defeat of the parties of the Left. The **cabinet** which resigned on July 22 was reconstructed on September 12 under the premiership of M. de Beerenbouck who assumed the portfolio of Interior. M. Karnebeek was made Minister of Foreign Affairs; M. van Heemskerk, Justice; M. De Visser, Public Instruction; M. De Geer, Finance; M. van Dyk, War; M. Westerveld, Navy; M. van Swaay, Waterways; M. Aalberse, Labor; and M. De Graaf, Colonies. — **Economic conditions** were critical. Agriculture was handicapped by the inability of the farmers to dispose of produce. Labor disputes and strikes were frequent, one of the most serious being the printers' strike which early in January spread over the entire country. Occupation of the Ruhr greatly handicapped business, so much so that on March 22 the Foreign Minister was interpellated at length as to what steps he was taking to secure relief for Dutch interests. Taxes were also much higher than normal, and on this account several prosperous farmers with their families migrated to America. The question of a protective tariff was warmly debated during the year, the industrialists and the chambers of commerce carrying on a vigorous campaign in favor of abandoning the traditional free-trade policy. — In November it was announced that a loan of 200,000,000 florins had been made to Ger-

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many, the first made by any foreign country since the War. — The Royal Commission recommended, April 23, that the Government do all in its power to provide for the naval protection of the Dutch East Indies. On May 7 it was stated that facilities for direct wireless connection between the mother country and Java had been completed.—Dr. Hendrick Lorentz, eminent Dutch physicist and professor of philosophy at the University of Leyden, was elected to the Council of the League of Nations on April 24.—Official figures showed that on January 1, 1922, there were 640,044 members of trade unions as compared with 651,215 in 1921 and 683,468 in 1920.

POLAND.—The **cabinet crisis** ushered in by the forced resignation of the Ponikowski Government (*cf.* last RECORD, p. 113) was only temporarily solved by the inauguration of a new cabinet under Arthur Sliwinski on June 29. This cabinet, faced by the hostility of a powerful parliamentary bloc favoring the deposed Premier and hostile to Chief of State Pilsudski, was forced to resign precipitately on July 7 after an adverse vote of 201 to 195. The crisis continued during July. The attempt on July 14 of the Nationalist party to make Adelbert Korfanty premier, caused a storm of protest. Pilsudski threatened to resign and the other parties served warning that they would not cooperate. A compromise was finally effected on July 29, when Dr. Julian Nowak, Rector of the University of Cracow, was invited to accept the premiership. This he did and selected the following ministry: Foreign Affairs, M. Narutowicz; War, M. Sosnkowski; Interior, M. Kamienski; Finance, M. Jastrzebski; Industry and Commerce, M. Strasburger; Transportation, M. Zagorny-Marynowski; Agriculture, M. Razynski; Religion and Public Instruction, M. Makowski; Labor, M. Darowski; Posts and Telegraphs, M. Mozynski; Public Health, M. Chodko; Public Works, M. Rybynski. Following the Premier's general statement that his foreign policy would be toward peace and away from all militaristic ventures, the Chamber expressed confidence. This disturbing political crisis was followed by a series of **general elections.** The first of these was held for the Polish Upper Silesian Parliament on September 24 when the Poles secured 34 seats of which 18 went to the Nationalist bloc. The newly elected Parliament was opened on October 10. Elections for the Lower House or Diet (Sejm), held November 5, gave the Left or Radical parties a decisive majority over the Nationalists. The seats were distributed as follows: Christian Union of National Unity (Right), 163; Center, 6; Polish Populist party (Witos group), 70; Polish Populist party (Liberation group), 49; Radical Peasants' party, 2; Polish Socialist party, 41; Nationalist Labor party, 18; Communists, 2; Bloc of National Minorities, 66; East Galician Zionists, 15; Radical Ruthenians of East Galicia, 5; Jewish Populists, 1; Local Jewish Lists, 2. As a result of elections for the Senate, held November 12, the Christian Union of

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National Unity won 51 seats; Polish Populist party (Witos group), 17; Polish Populist party (Liberation group), 8; Polish Socialist party, 7; National Labor party, 2; Bloc of National Minorities and East Galician Zionists, 26. Parliament on December 9 elected Gabryel Narutowicz, Minister of Foreign Affairs, first **President** of the Republic by a vote of 289 to 228 cast for M. Zamoyski, Polish Minister to France. The new President, who was inaugurated December 11, fell at the hand of an assassin on December 16. On December 20 the National Assembly elected Stanislas Wojciechowski, a distinguished member of the Witos party, as his successor. Of the 535 votes cast he received 298 as against 221 for M. Morawski. Meanwhile Ladislas Sikorski had been called upon to form a **new cabinet.** Taking the ministership of Interior himself, he selected Count Skrzynski for Foreign Affairs; M. Jastrzebski, Finance; M. Stokowski, War; M. Darowski, Labor; M. Zagorny-Marynowski, Transportation; M. Strasburger, Commerce and Industry. M. Jastrzebski subsequently resigned, his place being filled by M. Grabski. On January 14 M. Ossowski assumed the portfolio of Commerce which had temporarily been cared for by M. Strasburger. Despite the fact that confidence in the new Government was expressed on January 23 by a vote of 230 to 110 after it had stated its policy, it went out of office on May 26 when a request for supplementary funds for the secret service met with decided opposition from the national minorities. The Premier at once moved for a vote of confidence, which was adverse, 179 to 117. M. Witos once more assumed the premiership and selected the following ministry: Interior, M. Kiernik; Foreign Affairs, M. Seyda; Finance, M. Grabski; Justice, M. Nowodworski; Education, M. Glabiuski; Agriculture, M. Goscicki; Commerce, M. Kucharski; Railways, M. Karlinski; Public Works, M. Lopuszanski; Posts, M. Moszczenski; Military Affairs, M. Osinski; Labor, M. Darowski; Hygiene, M. Bajalski. The new Government in announcing its program declared that it would tolerate "no illegal organization seeking to introduce force or terror into the political struggle". It further declared that while it would seek to live in peace with Germany, it would nevertheless defend "all that is in our possession by the Treaty of Versailles on historic, national, moral rights". The Chamber on June 2 expressed confidence by a vote of 226 to 171.—Poland's **financial condition** continued to be critical. During the year the Polish mark depreciated while costs advanced. On January 1 the Budget and Finance Commission stated that the Bank of Poland's note circulation increased from 229,000,000,000 marks at the beginning of 1922 to 500,000,000,000 at the end of the same year. The state's total indebtedness on January 1 was put at 760,596,600,000 marks. Of the foreign debt, reckoned in Swiss francs, the United States was credited with 984,000,000; France, 356,300,000; Italy, 20,200,000; Holland, 29,700,000; Norway,

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16,300,000; Denmark, 300,000; Sweden, 1,300,000; and Switzerland, 70,000. The total debt per capita was 62.2 Swiss francs as compared with 3,353 per head for France. To cope with the situation, Minister of Finance Grabski endeavored to carry through a program calling for creation of a stable standard, administration of railways on business lines, curtailment of departmental expenses, and greatly increased taxes, both direct and indirect. On February 15 the French Chamber of Deputies by a vote of 515 to 68 approved a loan of 400,000,000 francs to Poland to be used chiefly for military purposes and army equipment supplied by France. Poland's forests, zinc and lead mines, petroleum fields and salt deposits were pledged as collateral. Early in May Marshal Foch visited Poland on a military mission.

According to official figures for the supplementary **census,** the total population for New Poland was 27,160,163. This included Polish Upper Silesia (980,296) and Vilna (498,968). Exclusive of these two districts there were 8,012,564 non-Poles.—**East Galicia** was granted local home rule.—**German Upper Silesia**, much to the disappointment of the Poles, decided on September 3 by the overwhelming vote of 513,126 to 50,400 to remain with Prussia rather than become an autonomous state.—**Anti-Jewish outbreaks** occurred sporadically during the year.—The new Polish **naval base** at Gdynia (Gdingen) was formally completed in April. (For boundary disputes, *cf. supra*, International Relations, p. 23.)

RUSSIA.—Not only the official name, but the whole constitutional structure of the nation was affected when a **treaty of alliance** was formally confirmed and ratified at the Tenth All-Russian Soviet Congress at Moscow on December 30 by plenipotentiaries of the Soviet government and of the three main Socialist Soviet republics of the former Russian Empire, viz., Ukraine, White Russia and the Transcaucasia. By the terms of this document the four were united into one allied state—"The Alliance of Socialist Soviet Republics"—with Moscow as its capital. Formal recognition was given to the centralized political system already in existence. Army and navy, foreign trade, disposition of economic resources, administration of economic life, finances, taxation, ways of communication, etc., were classed as allied affairs. So also were foreign affairs, promulgation of the main laws, supreme direction of the courts, and supervision of the state police. To exercise these functions the treaty further provided for formation of the following federal institutions: a Soviet Congress, Central Executive Committee, Council of the People's Commissaries, and a Supreme Court. Each contracting state retained its individual freedom and its institutions. It was explicitly stated that each could, if it so desired, withdraw from the alliance. Two Soviet republics, namely, the Khoresemian People's Soviet Republic and the Bokhara People's Soviet Republic, were not members of the Alliance inasmuch

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as they were not Socialist republics. The Government of the **Far Eastern Republic** voted, November 17, to unite with the Moscow Soviet. The Soviet Congress of the Alliance was composed of representatives of city Soviets, every 25,000 electors delegating one deputy, and of representatives of the provincial Soviet Congresses, one deputy for every 125,000 inhabitants. The Congress, in addition to passing the treaty, elected the first Central Executive Committee of the Alliance, comprising 270 representatives for Russia, 68 for the Ukraine, 26 for the Transcaucasian Federation, and 7 for White Russia. In discussing the **economic situation,** M. Kamenev, Lenin's spokesman, admitted to the Congress that the total export from Russia in 1922 was only one-twentieth of what it was in 1913, and that Russia's industrial assets had decreased forty per cent in the course of a year. Production, in his opinion, would be higher. M. Sokolnikov emphasized the necessity of rigorous reduction of expenses and the importance of restoring the gold standard as indispensable to industrial recovery. Taxes, he said, were only five per cent of pre-war collections, but that there were 1,800 trillion paper rubles in circulation. In March the newly published budget for the year October, 1922, to October, 1923, showed slightly more than 1,000,000,000 gold rubles revenue and approximately 1,250,000,000 expenditures. The year's deficit was estimated as under twenty-five per cent as compared with forty per cent for the previous twelvemonth.

The outstanding feature of the **Fourth Congress of the Third International,** which met in Moscow during November, was the ovation given Lenin and his striking review of the five years of Soviet administration of Russia. In the course of his address he frankly admitted the past mistakes of internal policy and explained at length the motives for Russia's compromise with capitalism (*cf.* last RECORD, p. 116). The Soviet, he said, had attempted to transform Russia too rapidly and had found it impossible of accomplishment. Large-scale industry, financial reform, education and a careful study of the country's needs were the problems pressing for solution. In connection with **education,** M. Lunacharsky, Russian Commissar of Education, reported in December that the All-Russian National Census of 1920 showed that the literacy percentage of Russia was only 32%. Comparing 1897 with 1920 the proportion of literacy per thousand for men was 318 (1897), 409 (1920), and for women 131 (1897), 214 (1920).

The **religious conflict** caused by the Soviet's sequestration of Church property culminated in March when, after a ten days' trial, Mgr. Butchkavitch, Vicar General of the Roman Catholic Church in Russia, was executed. He and sixteen other priests, including the Catholic Metropolitan, Archbishop Zepliak, were convicted of "wilfully opposing the Soviet Government". News of the execution stunned the outside world, but the flood of appeals and protests had no effect in

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staying the hand of the executioners. Ex-Patriarch Tikhon had not yet come to trial. Under the leadership of Archbishop Antonin a new religious organization, the "Resurrection Church", an offshoot of the "Living Church" which supplanted the Orthodox Church, was formed in September. Both parties were represented in the All-Russian Church Conclave which opened in Moscow April 29. On May 3 the Conclave unfrocked Patriarch Tikhon and expelled him from the Church as a traitor. The Conclave adopted the Gregorian Calendar for Church holidays; relics were retained but left open to public view. All monasteries not organized as communes were to be closed. —Trials of the churchmen were preceded by that of a number of **Social Revolutionaries** charged with counter-revolution. On August 7 twelve of the fifteen leaders of the party were sentenced to death, but sentence was suspended on the express condition that all anti-Bolshevist activity should cease. — The exiled **monarchists** were still active and apparently hopeful. On August 9 Grand Duke Cyril, cousin of the late Czar, declared himself to be the guardian of the vacant throne of Russia. The "Supreme Council of the Russian Monarchists", in the course of a five-day session in Paris in late November, duly "elected" Grand Duke Nicholas as successor of Czar Nicholas.

The report of Herbert Hoover, Chairman of the **American Relief Administration,** to President Harding on July 1 showed that nearly $60,000,000 had been expended for relief of famine in Russia. At that time over 9,000,000 Russians were receiving American food. On February 10 the American Commission reported that more than 8,000,000 would have to be carried through the year or else starve. A month later, however, the Soviet authorities reported that they were able to provide necessary relief for adults in the famine-stricken areas. The American Relief Administration at the time stated that it would provide special foodstuffs for 3,000,000 children until the next harvest. (*Cf.* International Relations, pp. 1, 24, 25.)

SCANDINAVIAN STATES.—In **Denmark** interest centered in the crisis and plans for reorganization of the Danske Landmandsbank (Danish Farmers' Bank), the largest private bank in Scandinavia and Jewish financial mart. The crisis resulted from financing unsound enterprises and fantastic speculation in the German mark. Following the Bank's reconstruction by the Rigsdag, Emil Glückstadt was placed on trial as having been chiefly responsible for the catastrophe. Total unsecured liabilities amounted to $62,000,000; many fortunes were ruined. The Government's handling of the bank affair and the dissension over regulation of imports, led to reconstruction of the cabinet in October. M. Neergaard retained the premiership, but M. de Scavenius, Foreign Minister, was replaced by M. Cold; Minister of Defense, M. Bernsten, was replaced by M. Brorsen; Bernsten remaining in the cabinet without portfolio. Minister of Commerce, M.

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Rothe, was succeeded by M. Christiansen. In November the Rigsdag adopted a far-reaching single tax. Due to reduced birth rate and higher death rate, the population of Denmark increased only 1.07% from July 1, 1921, to July 1, 1922 (3,283,000 to 3,318,000). Unemployment was prevalent throughout the year, and in consequence emigration was much greater than usual. Canada and South America were the countries favored by the new home-seekers.

Conflict between **Norway's** commercial interests in wine-producing countries and those who supported prohibition, resulted in a change of government on March 5. Otto B. Halvorsen headed the new cabinet. As Minister of Foreign Affairs he selected C. M. Nuchelet; Labor, Cornelius Nuddelthon; Social Welfare, Odd Klingenberg; Finance, Abraham Berge; Churches, Ivar Saelen; Agriculture, Anders Venger; Defense, K. Wefring; Commerce, Rye Holmboe. The first important act of the new ministry was to secure abolition of prohibition on heavy wines. On April 1 the Storthing passed a bill creating a state monopoly to take over importation and sale of all unprohibited alcoholic beverages.—In the death of Premier Halvorsen on May 23, the Conservative Party suffered an irreparable loss. M. Berge, Minister of Finance, took over the Premiership and Lagmand Rolfsen became Attorney-General. In its military budget, submitted January 12, the Government asked for 32,950,000 kroner, a reduction of 3,880,000 over that of the previous year.—The Storthing on March 16 overwhelmingly rejected the Radical party's proposal that the law for compulsory arbitration of labor disputes be continued after April 1, the date of its expiration. Employers in the leading industries proposed on March 29 a ten to twenty per cent wage reduction.

The result of October elections to the Provincial Councils in **Sweden** indicated a sharp decline in the strength of the Liberal party; their seats decreased in number from 291 to 192; the Communists gained (21 to 31) as did also the Social Democrats (322 to 346). The Left Wing Socialists lost five (29 to 24), the Agrarians five (146 to 141), and the Conservatives twenty-four (348 to 324). Only about one-third of the electorate voted. Complete returns for the prohibition plebiscite, held August 27, showed 930,655 opposed and 901,053 in favor of the proposition. Industrial depression and labor difficulties gripped the country during the greater part of the year. A deadlock over wages resulted in a lockout in paper and pulp industries on January 29 affecting 30,000 workers. The trouble soon spread to the steel, lumber and shipping industries, and by March 1 approximately 70,000 were out of employment. Rejection by the Riksdag of the Government's proposal to distribute doles among the unemployed led to resignation of the Branting ministry on April 6. Conservatives opposed the measure, alleging that its adoption would strengthen the prolonged strikes. On April 20 M. Trygger, leader of the Con-

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servatives, formed a purely Conservative cabinet as follows: Foreign Affairs, M. Heiderstierka; Justice, Prof. Ekeberg; Defense, M. Malburoth; Social Welfare, M. Malm; Finance, M. Beskow; Churches, M. Clason; Communications, M. Lubeck; Agriculture, M. Petterson; Commerce, Prof. Wohlin. The new cabinet found it exceedingly difficult to command a majority in the Riksdag.—In November the Swedish national debt was officially reported to be 1,555,675,000 kroner, or 259 kroner per capita, and more than double the amount in 1913.

SWITZERLAND.—Karl Scheurer, Vice-President of the Swiss Confederation in 1922, was elected President for 1923 by the Federal Assembly by 156 votes out of 210. Ernest Chauard was chosen Vice-President. On December 3 a proposed Socialist cumulative tax levy on capital was overwhelmingly defeated by a popular vote of 704,785 to 101,057. Fear that the measure might be approved caused many to transfer their accounts to other countries.—The Swiss budget for 1923 showed an estimated deficit of 83,000,000 francs, the receipts amounting to 425,000,000 and disbursements 508,000,000 francs. Military expenses were reduced to 78,000,000 francs.—On January 23 it was officially announced that no less than 100,000 persons were out of employment. The Government on March 29 appropriated 500,000 francs to assist these unemployed workers to emigrate to Canada.—The project for a state alcoholic liquor monopoly was defeated by the Swiss people on June 3 by a vote of 452,772 to 259,741.

VII. ASIA AND AFRICA

CHINA.—Instead of progressing in the direction of national unification and sound constitutional government, China during the year sank deeper into the mire of provincialism and financial chaos. After winning a decisive victory over the arch-Tuchun (military governor), Chang Tso-lin (*cf.* last RECORD, p. 119), General **Wu Pei-fu,** hailed everywhere as a liberal, an anti-militarist, a scholar, and an ardent believer in centralization, was apparently in a position to gratify the desire of every well-wisher of China. In the South Dr. **Sun Yat-sen** suffered defeat at the hands of one of his former generals, Chan Chiung-ming, and in August indicated his willingness to cooperate with Wu Pei-fu and Pekin. Under such favorable auspices the first Chinese **Parliament** to secure a legitimate quorum since 1917 convened on August 5. A **new cabinet** was selected with Dr. Wang Chung-huei as Premier; Dr. Wellington Koo, Minister of Foreign Affairs; and Lo Wen-kan, Minister of Finance. The proposal by Wu Pei-fu and President Li Yuan-hung that a constitution be adopted, brought out the fact that the Parliament was highly factionalized, so much so that practically no business of a constructive nature was transacted. On November 14 Minister of Finance, Lo Wen-kan, signed a **revision**

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of a pre-war German loan, transferring part of the money which he thus saved China to the Ministry of Communications to be used for redemption of railway bonds. A **cabinet crisis** arose in November. On November 18, at the instigation of Tsao Kun, a Tuchun who with his fellow-Tuchuns feared and opposed Wu Pei-fu and his program of reconstruction, the Finance Minister was arrested and two days later impeached by the House by a vote of 375 to 28. The cabinet thereupon resigned. On November 28 Premier Wang and Wellington Koo were also impeached under the pretext that they had participated in signing the agreement. It was now clearly evident that the Tuchuns and their accomplices were determined to prevent the inauguration of any system which promised to minimize their influence or power. That China might have a Government to sign the Kiaochow territorial and Shantung railway agreements with Japan (*cf.* last RECORD, pp. 7-9), a **temporary cabinet** was formed on November 30 with Wang Ta-hsieh as Premier and Minister of Finance, and Wang Chen-ting as Foreign Minister.—**Kiao-chow** was restored to China on December 10. — In selecting a **new cabinet** on December 3, General Chang Shao-tseng, a staunch Tsao Kun man, was selected as Premier. Parliament refused to confirm the nomination of Dr. Alfred Sze as Minister of Foreign Affairs, the portfolio going to Wang-fu, educated in Japan and for a time an advisory member of the Japanese delegation to the Washington Conference. Plans of the militarists received a temporary check, however, when in March differences developed between Premier Chang, Tsao-tsen and Tsao Kun. As a result Wang-fu surrendered the portfolio of Foreign Affairs, the office going to Wellington Koo, who, despite his treatment of a few months previous, consented to serve. Finally on June 6 the Chang Tsao-tsen ministry resigned in a body. President Li Yuan-hung tried to reorganize it but to no avail. Just a week later the President himself was forced to flee from Pekin, thus leaving the militarists in full control. Apparently Wu Pei-fu and those he sponsored had for the time being been eclipsed. Hope for unification for the moment centered in Sun Yat-sen. On February 21 he regained control of Canton where he again reestablished himself as head of the Government in South China.

Lack of a strong central government was reflected during the year by the enormous increase in **banditry.** Kidnapping of a number of foreign missionaries by bandits in the province of Honan in November brought forth a sharp protest from representatives of the foreign Powers. In December the Chinese government announced that bandits of the province of Shantung had received $100,000 on condition that they refrain from violence after withdrawal of the Japanese. The next month it was reported that bandit hordes in Hupeh province were capturing missionaries and holding them as hostages. The

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climax was reached when on May 6 the Shanghai-Peking express was derailed in Shantung and thirty-six foreign passengers, the majority Americans, with one hundred native passengers, were carried to the hills where they were held for a $1,000,000 ransom. On May 12 Peking and the Powers agreed to fix responsibility for the act. The captives were subsequently released unharmed. During the year the Government bitterly complained that the sale of arms to Tuchuns and bandits did not ease its problem. On March 5 the Foreign Office protested against the sale of $5,000,000 worth of arms and ammunition by Italy to Chang Tso-lin, Manchurian war-lord.—**Finances** also reflected China's desperate condition. Just before his arrest and impeachment Lo Wen-kan showed that the national debt had mounted to $950,000,000 gold, to say nothing of the unsecured railway obligations. He also stated that the monthly expenditures for 1922 were averaging $4,500,000 gold, while receipts were only $115,000 per month. Each month $3,000,000 went for military purposes. On February 2 the Powers (United States, Great Britain, France, Japan) submitted a joint note on the critical condition of Chinese finances, urgently advising that the Government use receipts expected from the new tariff (*cf.* last RECORD, p. 7) in payment of its foreign obligations and thus prevent their appropriation by self-seeking military governors. The British Government on March 30 decided to cancel what was still due it on account of the **Boxer indemnity.**—Some notion of the increased **trade between the United States and China** was indicated when in December the United States Chamber of Commerce reported that the number of firms doing business with China increased from 136 in 1914 to 412 in 1921, and the number of persons from 4365 to 8230. In June Americans of long residence in China reported that conditions were now the worst they had been since the Boxer uprising in 1900. Following withdrawal of President Li Yuan-hung the American Association in China cabled Secretary Hughes demanding protection for American citizens and praying that the Washington government would take immediate steps to prevent loss of American prestige and business in China.

EGYPT. — The establishment of a stable government, suppression of lawlessness and the question of the Sudan were the principal problems faced by the Egyptians during their first year of independence. On July 23 the British Government, through General Allenby, High Commissioner at Cairo, addressed a strong note to the Egyptian government voicing alarm at the frequent occurrence of **outrages against British officials,** officers and soldiers, and the failure of the Governernment to punish the guilty parties. The note intimated that if the outrages continued the British Government would be compelled to reconsider its attitude toward Egypt. The acts to which the High Commissioner referred were, for the most part, committed by the

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Zaghlulists and Extreme Nationalists who resented the continued presence of British officials or soldiery in Egypt. On August 14 seven Zaghlulists were found guilty of sedition and condemned to death by a British military court; the sentence, however, was commuted to penal servitude for seven years and a fine of $5,000 each. Less than a month later it was announced that Zaghlul Pasha had been transferred from the Seychelles to Gibraltar because the climate of the islands had impaired his health. In January Lord Allenby issued a proclamation to the effect that any person who witnessed an attempt on the life of a British subject, or possessed information likely to facilitate discovery of the author of outrages, and who failed to inform the police, would be tried by a military court and, if convicted, would be liable to the death penalty. But in spite of this threat bomb-throwing continued during the year.—On March 5 the leading members of the **Zaghlulist party** were arrested and Zaghlulist and other extreme nationalist newspapers suspended. Before the month ended, however, the British not only agreed to withdraw their charges against members of the Zaghlulist Executive Committee, but released Zaghlul Pasha from captivity at Gibraltar.—After a prolonged but futile struggle on the part of the reactionaries to amend the **Constitution** as drafted by the Royal Commission, so as to make the sovereign an absolute monarch, the document was duly signed by the King on April 19. Article 1 declared Egypt to be a sovereign state, free and independent, the government a hereditary monarchy, the official religion Islam, and the official language Arabic. Article 19 provided for free and compulsory education. All powers were declared to emanate from the nation. Legislative power was to be exercised by the King concurrently with the Senate and the Chamber, but the King and Chamber alone had the right to levy and increase taxes. Succession to the throne was to be hereditary in the family of Mohammed Ali. The King had power to return any bill to Parliament for renewed examination, but if voted by a two-thirds majority in each house the bill would become law. The Chamber of Deputies was to be composed of members elected by universal suffrage, one deputy for every 60,000 inhabitants; the age limit was made thirty years and elections are to be held every five years. Two-fifths of the members of the Senate were to be nominated by the King and three-fifths elected, one senator for every 180,000 inhabitants; the age limit was forty years and the term of office ten years. No member of Parliament while a member of the Chamber was permitted to accept honors or decorations, except military orders. The King was given authority to declare war and peace, but an offensive war required consent of Parliament; and peace treaties and alliances were to be subject to ratification by Parliament. While the King nominated and dismissed ministers, they were responsible to the Chamber. The King could

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dissolve the Chamber and nominate and recall diplomatic representatives at the suggestion of the Minister of Foreign Affairs. No concession or monopoly was to be granted except by law and for a limited period. Parliament had no right to interfere with budgetary provisions relating to international engagements. The law liquidating the ex-Khedive's estates and providing for the restriction of his rights was given constitutional character. The Constitution in no way affected Egypt's obligations toward foreign countries, the rights of foreigners legally acquired in Egypt, or recognized usages and treaties. Nor did it mention the predominant position claimed by England in regard to the foreign relations of Egypt and the military protection of the Suez Canal. The question of Sudan was also left unsettled. There was no provision guaranteeing a minimum representation of the minorities—Copts, Syrians and Jews. In a manifesto the Nationalists (Zaghlulists) condemned the new Constitution because, they said, the frontiers were left undefined; it contained no articles concerning individual liberty, freedom of meeting, and freedom of speech and press.—The question of the new Constitution and that of the Sudan were largely responsible for **ministerial changes.** On November 30 the Sarwat ministry (*cf.* last RECORD, p. 82) resigned, a new cabinet being selected the following day under the leadership of Tewfik Nessim Pasha, a former Premier. When, however, Nessim agreed with the British that two clauses in the new Constitution asserting the sovereignty of Egypt over the Sudan be omitted, he was savagely attacked by the press, which condemned him for surrendering to an "Allenby ultimatum". He resigned on February 5. After a month of crises and political juggling, a new ministry was formed on March 15 by Yehia Ibrahim Pasha, who became Prime Minister and Minister of Interior. The other portfolios follow: Foreign Affairs, Heshmat Pasha; Education, Tawfik Rifaat Pasha; Communications, Ziwar Pasha; Finance, Muhir Pasha; Pious Foundations, Ahmed Ali Pasha; Public Works, Hafez Hassan Pasha; War, Mahmud Azmi Pasha; Justice, Ahmed Zulifikar Pasha; Agriculture, Fauzi Bey Motei. — By the **electoral law** signed April 30 every Egyptian was accorded the vote, though neither the Constitution nor the law defined who was an Egyptian. The governor of each province was made responsible for the secrecy of the ballot and liberty of suffrage. All political articles or reports must be signed by the authors and editors, and severe penalties were provided for illegalities at elections.

JAPAN.—Withdrawal from Siberia (*cf. supra*, p. 25) made possible a **reduction in army expenditures** of 20,200,000 yen. A general plan for army reduction announced in August involved 60,000 men, effecting an annual saving of 40,000,000. According to this plan 2200 commissioned officers were to be discharged by August 1924 on allowances equal to two years' pay. In conformity with the Washington

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agreement for reduction of armaments, the naval budget for the year ending March, 1924, called for 276,000,000 yen as against 393,662,000 for the previous year. In January Premier Kato emphatically denied the statement attributed to him to the effect that in case other powers (France and Italy) failed to ratify the Washington Conference agreements, America, Great Britain and Japan would form a treaty in accordance with a pre-arranged understanding. On August 7 Viscount Uchida, Japanese Foreign Minister, notified United States Ambassador Warren that the Washington treaties had been officially approved by Prince Hirohito, the Regent. The first convention of the Japanese Federation of All **Labor Unions** was attended by 96 delegates from 62 unions, and 200 delegates from Socialist organizations. — Government expenditures for encouragement of **emigration** were cut to 20,000 yen for the current year. This curtailment was interpreted as indicative of the difficulty of finding countries in which the Japanese would be welcome. In the Diet on March 10 the Government declared that few Japanese were willing to go to South America.—The Privy Council on December 29 adopted a resolution condemning "the weak **policy of the cabinet toward China**". This was followed in February 20 by resolutions from the House of Peers calling upon the Kato ministry to "consolidate its diplomatic policy", which was characterized as "retrogressive and weak". The Diet, however, expressed confidence in the Government. In discussing a Chinese proposal that Japan abrogate the Chino-Japanese Treaty of 1915, the Foreign Minister declared on March 11 that any such action was out of the question. A public movement known as the National League of Japan was launched on March 28 to oppose any such move from whatever quarter it emanated.—Wild scenes followed the defeat on March 2 of the **Universal Suffrage Bill** after the Premier had stated that the Government was considering an extension of the suffrage. A motion from the Opposition to impeach the Government precipitated such riotous scenes that the Diet was prorogued.—Early in February M. Masanoa Hanihara was chosen to succeed Baron Shidehara as Ambassador to the United States.—General Kuroki, one of Japan's most famous warriors, died February 4.

TURKEY.—Under the leadership of Mustapha Kemal, Turkey during the year made remarkable progress in the direction of regeneration. In this she was very materially aided by the continued jealousies among the Great Powers, the collapse of the Greek imperialistic movement, and the encouragement of Mohammedans the world over. On July 12 the Nationalist Assembly elected Rauf Bey as Prime Minister; Abdullah Azmy Bey, Minister of Religious Affairs; Fevzi Pasha, Chief of General Staff; Kiazim Karabekir Pasha, War; Yusuf Kemal Bey, Foreign Affairs; Reshad Bey, Public Works; Mahud Essad, Food; Jellah-Ed-Din, Justice; Fuad Bey, Health; Vehbi Bey,

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Education; Hassan Fehmi, Finance; Ata Bey, Interior. Five members of this cabinet were members of the Turkish Committee of Union and Progress ("Young Turks"). The Empire and the Sultanate were swept away and Turkey became a republic in every respect except name when, on November 1, the Angora Assembly decreed their abolition and established a "Government of the People and Peasants". At the same time the Ottoman Caliphate was stripped of all temporal authority, although it was provided that the Caliph should continue to be chosen from the royal family. Subsequently Abdul Medjid Effendi, former Crown Prince, was elected to the office. The deposed Sultan, Mohammed VI, at first was not inclined to yield; on November 16, however, he with the members of his cabinet were accused of treason and ordered brought to trial. The next day the ex-Sultan made a hasty departure on a British warship. On April 16 he issued a proclamation appealing to the Moslem world to ignore the Assembly's act separating the Caliphate and the Sultanate. The following day the Assembly enacted a law condemning as high treason all agitation in favor of restoring the Sultanate. Meanwhile eight of the leading Turkish opponents of the Nationalist Government, including Ali Rachid Bey, former Minister of Justice, General Emin Pasha and Colonel Fettah Bey, were hanged at Angora. Other prominent Turks, including Tewfik Pasha, former Grand Vizier, Mustapha Sabri, and General Suleiman Sherif Pasha, fled to Egypt. In outlining his program for the ensuing year Mustapha Kemal, on March 1, emphasized the importance of not contracting foreign loans and of strengthening Turkey's relations with her neighbors, particularly Afghanistan and Persia. Turkish history and geography must henceforth be taught in all foreign schools in Turkey, instructors for these subjects being approved by the Government.—In May it was announced that control of the Anatolian Railway had passed into the hands of a British syndicate composed of five of the leading banking institutions of London and backed by the Anglo-Persian Oil Company. (*Cf.* International Relations, p. 11.)

OTHER ASIATIC AND AFRICAN STATES. — In **Afghanistan** the Amir made determined efforts to induce the Afridis, Mohmands and other frontier tribes to keep peace with their neighbors.—The **Far** Eastern Republic was incorporated into Russia (*cf. supra*, pp. 25, 110). —The proposed United States loan of $5,000,000 to **Liberia**, approved by President Harding (*cf.* last RECORD, p. 124), failed to pass the United States Senate. Senator Borah speaking against the measure declared that more than $1,000,000 of the loan would go to pay New York bankers for old bonds of Liberia. J. P. Morgan & Co., Kuhn, Loeb & Co., and the National City Bank, three banking houses mentioned by Senator Borah, denied that they had any interest in the proposed loan. — In the hope of remedying her financial situation,

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characterized by inadequate revenue, an archaic system of taxation and wasteful expenditure, **Persia** on August 15 contracted with Dr. A. C. Millspaugh, Economic Advisor of the United States State Department, to act as Administrator General of the finances of Persia. Unrest due to the apparent maladministration of affairs led to formation of a new cabinet by Mustowfi El Mamalek on February 15. This Radical cabinet, as it was known, consisted almost entirely of members of the younger generation and was strongly nationalistic. Early in June, however, it was forced out of office.—(For colonial possessions and mandates, *cf.* British Empire, Belgium, France, Italy, etc., *supra.*)

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